

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF RANDOLPH**

**Township of Randolph School District
Randolph, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

Township of Randolph School District

Randolph, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Township of Randolph School District
Board of Education**

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INTRODUCTORY SECTION

RANDOLPH TOWNSHIP**PUBLIC SCHOOLS**

25 SCHOOL HOUSE ROAD, RANDOLPH, NJ 07869

(973) 361-0808

Jennifer A. Fano
 Interim Superintendent of Schools
jfano@rtnj.org

Gerald M. Eckert
 School Business Administrator
geckert@rtnj.org

November 20, 2015

The Honorable President and Members
 of the Board of Education
 Township of Randolph School District
 County of Morris, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Township of Randolph School District (the "District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Randolph School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Township of Randolph School District and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12 for the students residing in Randolph Township. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2014-15 fiscal year with an enrollment of 4,819 students.

The Honorable President and Members
of the Board of Education
Township of Randolph School District
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2) ECONOMIC CONDITION AND OUTLOOK: The Randolph Township School District has weathered the recent period of difficult economic conditions in relatively good shape. While the township tax ratable base continues on a flat to slight decline, this attribute is expected to remain relatively flat in the coming years. The District's enrollment trend continues to be downward and the nation's economic outlook remains uncertain. Randolph likely will be able to maintain a relatively high standard of economic well-being. Future Federal legislative implementation changes such as health care could pose a potential financial resource impact in that current health care packages provided by the District to its staff may be deemed in excess of federal standards resulting in possible penalties to be imposed. These factors will be reviewed closely as labor contracts are renewed and future budgets developed.

3) MAJOR INITIATIVES: During the 2014-2015 school year, the Randolph Township School District continued with the comprehensive review and revision of district curricula, according to parameters set forth in the 5 year curriculum review cycle, approved each year by the Board of Education. Along with each new or newly revised curriculum, access to digital content and training of teachers to implement new curricular elements were provided.

Professional development (PD) opportunities continue to be provided for all new curricula and the Stronge evaluation model. Teachers were provided with opportunities to attend workshops in-district, out-of-district, and after school hours. The District administration was provided with PD in the evaluation process and several curricular areas, to mirror training provided to instructional staff. The District is also contracting with providers of PD and educational support material across the curriculum, with an emphasis on problem-based instruction that incorporates higher-order thinking skills, review of assessments, and best practices. The District uses a model of PD that emphasizes a "push-in" model whenever possible, whereby PD providers deliver their assistance to teachers in our own classrooms with our own students, rather than a more traditional "pull-out" model that requires teachers to leave the district and be replaced by substitutes.

The District added several new components to the program of educational technology available to students and staff members, including access to digital content that will continue to replace more traditional printed material. The District deepened its commitment to a Learning Management System that has enabled online coursework to be delivered to students. Students across the District have increased the degree to which they access content digitally rather than in printed form, and training of staff to enable this shift is ongoing and comprehensive. The District continues to employ a K-12 Bring Your Own Device (BYOD) approach to student use of technology. This approach is sustainable over time and allows the district to afford other things that would simply not be possible if devices were purchased for each student.

Randolph High School students continue to achieve at a rate commensurate with, and in many ways exceeding that of, their counterparts in Morris County. RHS has one of the highest percentages of students taking the AP examination, and performance on the NJ DOE exit exam (HSPA) remains exemplary. Courses are continually revised to reflect the District's commitment to provide a true 21st Century educational experience to every student, every day. The District continues to offer a comprehensive array of award winning music and art programs. Our athletic program is exceptional and our co-curricular clubs offer numerous and diverse opportunities to our student body, as we work to maintain the quality of a public education program second to none in the State of New Jersey.

The Honorable President and Members
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Township of Randolph School District
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4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state awards programs, as well as to determine that the District has complied with major applicable laws, regulations, contracts and grants.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and/or assignments at June 30, 2015.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on J-20.

The Board is a member of the Pooled Insurance Program of New Jersey ("PIP"). The PIP is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost workers' compensation insurance coverage to their members. Additional information on the PIP is included in Note 10 to the Financial Statements.

The Honorable President and Members
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9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Governmental Auditing Standards* are included in the single audit section of this report.

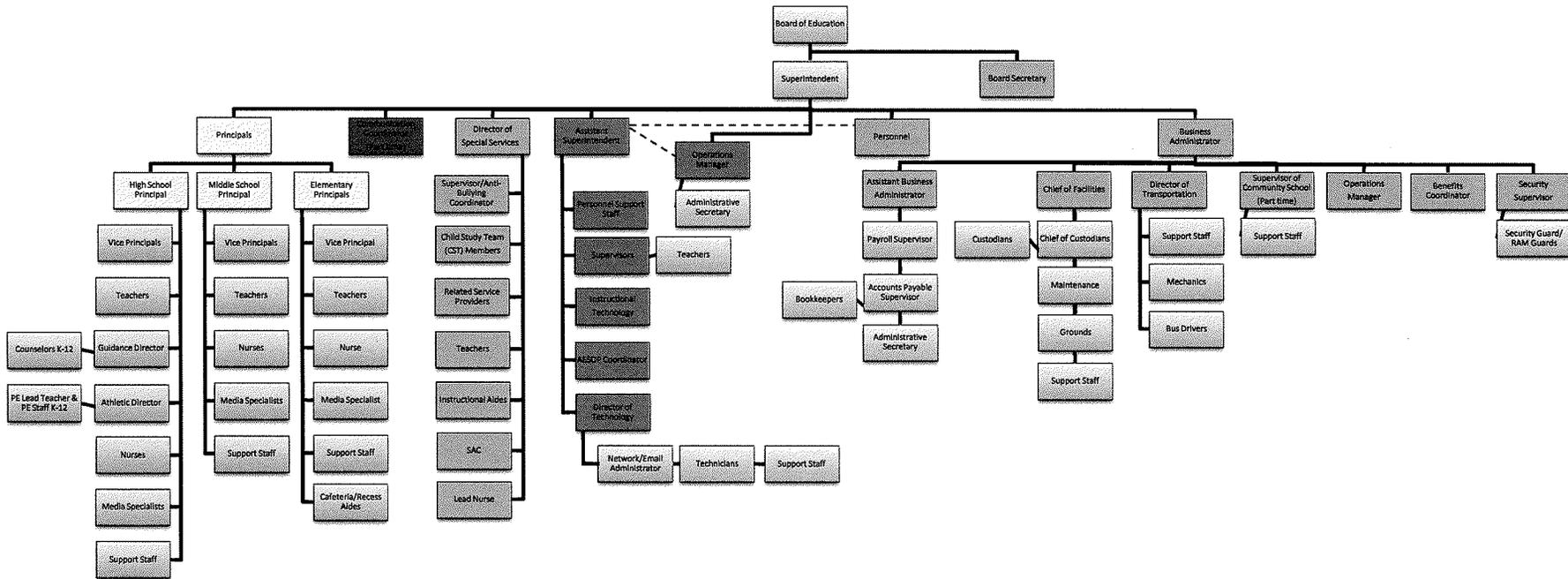
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Randolph Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

Jennifer Fano
Jennifer Fano
Interim Superintendent of Schools

Gerald Eckert
Gerald Eckert
Business Administrator

**RANDOLPH TOWNSHIP SCHOOLS
ORGANIZATION
September 29, 2015 Version 2
Board Approved:**



**TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Tammy MacKay, President	2015
Alfredo Matos, Vice President	2016
Christine Aulenbach	2017
Ronald Conti	2017
Sheldon Epstein	2016
Colleen Pascale	2015
Jeffrey Braverman	2016
Anne Standridge	2015
Dr. Diana Thomas	2017

<u>Other Officers</u>	<u>Title</u>
Dr. David Browne	Superintendent of Schools
Jennifer A. Fano	Assistant Superintendent of Schools
Gerald Eckert	Business Administrator/Board Secretary

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
Consultants and Advisors

Architect

Solutions Architecture, LLC
81 Clay Street, Second Floor Suite 2
Newark, NJ 07104

Attorney

Schenck, Price, Smith & King LLP
220 Park Avenue
Florham Park, NJ 07932

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Official Depository

The Provident Bank
1185 Sussex Turnpike
Randolph, NJ 07869

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Township of Randolph School District
 County of Morris, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable President and Members
of the Board of Education
Randolph Township School District
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 18 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
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Randolph Township School District
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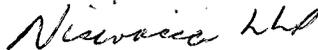
The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

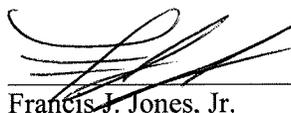
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 20, 2015
Mount Arlington, New Jersey


NISIVOCCIA LLP



Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (Unaudited)

This section of Township of Randolph School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved by \$3,849,819 on a district-wide basis.
- Overall revenue was \$106.95 million.
- The net position of the District's business-type activities increased by \$185,134 primarily due to an increase in the community school.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and the community school.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
- *Notes to Financial Statements* provide additional information essential to a full understanding of the district-wide and fund financial statements.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of Financial Report

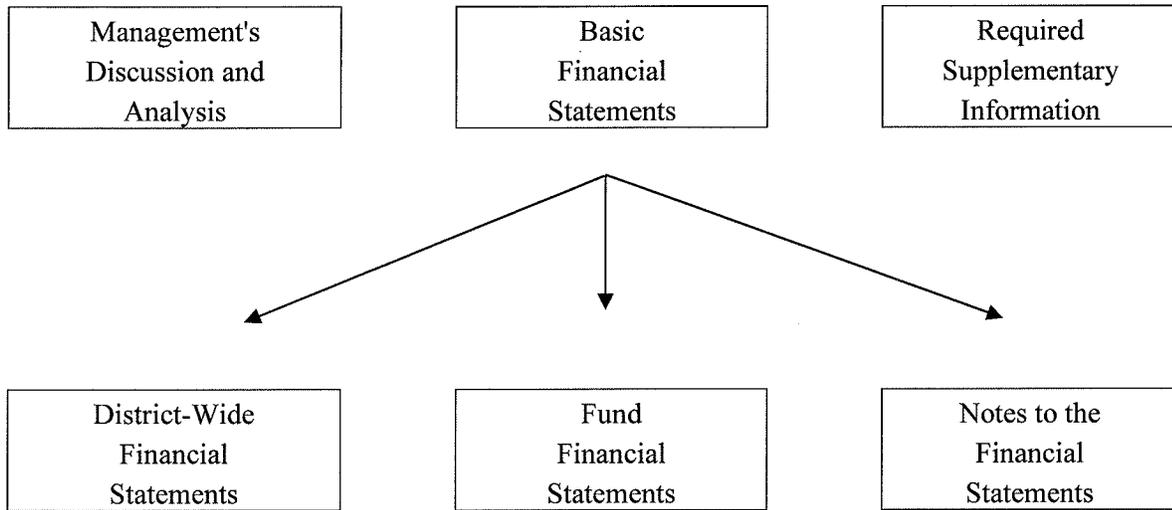


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and community school	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred inflows and outflows, and liabilities, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and community school are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).
- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Notes to the financial statements: The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position totaled \$2,816,118, 372.43% more than the prior year. Net position from governmental activities increased \$3,664,685 and the net position from business-type activities increased \$185,134.

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014/15	2013/14*	2014/15	2013/14	2014/15	2013/14*	2014/15
Current and Other Assets	\$ 7,155,144	\$ 5,726,447	\$ 440,881	\$ 334,054	\$ 7,596,025	\$ 6,060,501	25.34%
Capital Assets, Net	54,354,172	53,593,614	182,884	218,029	54,537,056	53,811,643	1.35%
Total Assets	<u>61,509,316</u>	<u>59,320,061</u>	<u>623,765</u>	<u>552,083</u>	<u>62,133,081</u>	<u>59,872,144</u>	3.78%
Deferred Outflows of Resources	2,733,691	984,971			2,733,691	984,971	177.54%
Long-Term Debt Outstanding	56,520,789	58,781,418	11,573	25,896	56,532,362	58,807,314	-3.87%
Other Liabilities	3,621,254	2,654,238	330,135	429,264	3,951,389	3,083,502	28.15%
Total Liabilities	<u>60,142,043</u>	<u>61,435,656</u>	<u>341,708</u>	<u>455,160</u>	<u>60,483,751</u>	<u>61,890,816</u>	-2.27%
Deferred Inflows of Resources	1,566,903						100.00%
Net Position:							
Net Investment in Capital Assets	24,938,166	21,304,920	182,884	218,029	25,121,050	21,522,949	16.72%
Restricted	3,091,754	2,337,580			3,091,754	2,337,580	32.26%
Unrestricted/(Deficit)	<u>(25,495,859)</u>	<u>(24,773,124)</u>	<u>99,173</u>	<u>(121,106)</u>	<u>(25,396,686)</u>	<u>(24,894,230)</u>	-2.02%
Total Net Position	<u>\$ 2,534,061</u>	<u>\$ (1,130,624)</u>	<u>\$ 282,057</u>	<u>\$ 96,923</u>	<u>\$ 2,816,118</u>	<u>\$ (1,033,701)</u>	372.43%

*Restated

- Changes in Net Position.* The District's *combined* net position increased \$3,849,819 or 372.43% from the prior year. (See Figure A-4). The District's improved financial position came primarily from its governmental activities. Net investment in capital assets increased \$3,598,101 as a result of an increase in capital additions of \$3,687,801 and a decrease in debt outstanding of \$2,872,688 less depreciation of \$2,962,388. Restricted net position increased \$754,174 primarily due to increases in excess surplus of \$687,238, capital projects of \$105,852 and debt service of \$157,716 offset by a decrease in capital reserve of \$196,632. Unrestricted net position decreased \$722,735 in governmental activities as a result of decreases in committed capital projects of \$178,686, year-end encumbrances of \$187,120, unassigned fund balance of \$48,641 and increases in compensated absences of \$82,374, unamortized bond premiums of \$21,347, the change in net pension liability of \$529,685 and investment gains in pensions of \$1,566,903 offset by increases in surplus used to support the 2015/16 budget of \$3,120, deferred interest on bond refundings of \$12,747, changes in pension assumptions of \$826,784 and changes in proportion in pensions of \$909,189 and a decrease in accrued bond interest payable of \$140,181. Net position from business-type activities increased \$185,134 primarily due to an increase in the community school.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District	Percentage Change
	2014/15	2014/15	2014/15	2013/14	2013/14	2013/14	2014/15
Revenue:							
Program Revenue:							
Charges for Services	\$ 115,096	\$ 2,426,499	\$ 2,541,595	\$ 93,274	\$ 2,322,532	\$ 2,415,806	5.21%
Operating Grants and Contributions	31,352,818	232,571	31,585,389	22,070,185	243,439	22,313,624	41.55%
Capital Grants and Contributions	273,876		273,876				100.00%
General Revenue:							
Property Taxes	72,233,112		72,233,112	70,883,636		70,883,636	1.90%
Other	313,192	1,452	314,644	303,077	763	303,840	3.56%
Total Revenue	104,288,094	2,660,522	106,948,616	93,350,172	2,566,734	95,916,906	11.50%
Expenses:							
Instruction	57,734,945		57,734,945	50,316,817		50,316,817	14.74%
Pupil and Instruction Services	17,206,576		17,206,576	15,901,170		15,901,170	8.21%
Administrative and Business	10,307,392		10,307,392	8,853,784		8,853,784	16.42%
Maintenance and Operations	8,711,530		8,711,530	8,498,204		8,498,204	2.51%
Pupil Transportation	5,511,833		5,511,833	5,244,313		5,244,313	5.10%
Other	1,151,133	2,461,190	3,612,323	1,011,228	2,683,365	3,694,593	-2.23%
Total Expenses	100,623,409	2,461,190	103,084,599	89,825,516	2,683,365	92,508,881	11.43%
Other Special Items		(14,198)	(14,198)	(73,926)	86,031	12,105	-217.29%
Increase (Decrease) in Net Position	\$ 3,664,685	\$ 185,134	\$ 3,849,819	\$ 3,450,730	\$ (30,600)	\$ 3,420,130	12.56%

Revenue Sources. The District's total revenue for the 2014/15 school year was \$106,948,616. (See Figure A-5). Property taxes and grants and contributions accounted for most of the District's revenue, with local taxes accounting for \$72,233,112 of the total, or 67.54 percent. Another 29.79 percent came from grants and contributions and the remainder from miscellaneous sources and charges for services. The Township of Randolph School District basically conducts its operations from the revenues it receives from its local taxpayers and state funding.

Figure A-5
Sources of Revenue for Fiscal Year 2015

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
Operating Grants and Contributions	\$ 31,585,389	29.53%
Capital Grants and Contributions	273,876	0.26%
Property Taxes	72,233,112	67.54%
Charges for Services	2,541,595	2.38%
Other	314,644	0.29%
	<u>\$ 106,948,616</u>	<u>100.00%</u>

The total cost of all programs and services was \$103,084,599. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (78.05 percent). (See Figure A-6). The District's administrative and business activities accounted for 10.00 percent of total costs. The Township of Randolph School District operates 6 schools, an administration office, a child study team office, and a transportation building which results in maintenance costs of \$8,711,530 (8.45 percent).

Figure A-6
Expenses for Fiscal Year 2015

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 57,734,945	56.01%
Pupil and Instruction Services	17,206,576	16.69%
Administrative and Business	10,307,392	10.00%
Maintenance and Operations	8,711,530	8.45%
Transportation	5,511,833	5.35%
Other	3,612,323	3.50%
	<u>\$ 103,084,599</u>	<u>100.00%</u>

Governmental Activities

As illustrated elsewhere in this document, the overall financial position of the District continues to improve. Through continued adherence to “best practices” (such as controlling costs and maximizing revenues) and judicious deployment of resources, the District has been able to maintain, expand or improve existing programs while prudently adding new ones. However, despite the overall financial environment seeing some improvement of late, the future is still quite uncertain as to school funding and its potential impact on school district operations.

With that being the case, the District needs to continue to carefully and thoroughly evaluate all aspects of its ongoing programs and operations for efficiencies and to insure that any proposed new activities or program expansions are financially viable on a long-term basis prior to implementation. This effort will allow the District to continue to enhance the overall educational environment of its students while dealing with any financial adversities which arise.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

Figure A-7
Net Cost of Governmental Activities

	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	<u>2014/2015</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2013/2014</u>
Sources of Income:				
Instruction	\$ 57,734,945	\$ 50,316,817	\$33,644,744	\$32,321,574
Pupil and Instruction Services	17,206,576	15,901,170	13,817,466	13,758,226
Administrative and Business	10,307,392	8,853,784	8,779,946	8,239,315
Maintenance and Operations	8,711,530	8,498,204	7,303,655	8,012,859
Transportation	5,511,833	5,244,313	4,459,328	4,599,884
Other	1,151,133	1,011,228	876,480	730,199
	<u>\$ 100,623,409</u>	<u>\$ 89,825,516</u>	<u>\$ 68,881,619</u>	<u>\$ 67,662,057</u>

- The cost of all governmental activities this year was \$100.62 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$31.63 million).
- Most of the District’s costs were financed by District taxpayers (\$72.23 million).
- The remainder of the funding came from miscellaneous revenue, investment earnings, and charges for services (\$.43 million).

Business-Type Activities

Net position from the District's business-type activity increased \$185,134. (Refer to Figure A-4). Factors contributing to these results included:

- Food service revenues exceeded expenses by \$1,630.
- Community School service revenues and investment earnings exceeded expenses by \$183,504, accounting for all of the increase in the net position of the Community School business-type activity.

Financial Analysis of the District's Funds

As mentioned previously, the District's financial position improved during the year. For the most part, the financial improvements were due to cost reductions, although there also was an increase in overall revenue.

General Fund Budgetary Highlights

During the course of each school year, the District revises its annual operating budget as needed within permitted guidelines. During the year, budget amendments were made to budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Figure A-8
Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
Land	\$ 3,465,955	\$ 3,465,955			\$ 3,465,955	\$ 3,465,955	0.00%
Construction in Progress	4,085,758	1,405,641			4,085,758	1,405,641	190.67%
Buildings and Building Improvements	43,619,855	45,533,757			43,619,855	45,533,757	-4.20%
Furniture, Machinery and Equipment	3,182,604	3,188,261	\$ 182,884	\$ 218,029	3,365,488	3,406,290	-1.20%
Total	<u>\$ 54,354,172</u>	<u>\$ 53,593,614</u>	<u>\$ 182,884</u>	<u>\$ 218,029</u>	<u>\$ 54,537,056</u>	<u>\$ 53,811,643</u>	1.35%

Long-term Debt

At year-end, the District had \$29,015,000 in general obligation bonds outstanding – a decrease of \$2,915,000 from last year – as shown in Figure A-9. The District refinanced \$6,205,000 of its 2005 Advanced Refunding School Bonds, resulting in a savings of nearly \$300,000 over the life of the bonds. Net Pension Liability increased by \$529,685, capital leases increased by \$42,312 and other long-term liabilities increased by \$68,051 - as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9
Outstanding Long-Term Debt

	Total School District		Total Percentage Change
	2014/2015	2013/2014*	
General Obligation Bonds (Financed with Property Taxes)	\$ 29,015,000	\$ 31,930,000	-9.13%
Net Pension Liability	26,292,708	25,763,023	2.06%
Other Long-Term Liabilities	1,224,654	1,114,291	9.90%
	<u>\$ 56,532,362</u>	<u>\$ 58,807,314</u>	-3.87%

*Restated

Factors Bearing on the District's Future Revenue/Expense Changes

The most likely factors that will have a direct effect on future school district budgeting of both revenue and expenses will continue to be legislation and the overall economy. For example, legislators (as well as the courts) continue to debate about changes to the funding formula used to distribute State Aid. Changes in the formula could prove to either help or hurt the District financially. And while recent legislation increasing mandatory employee contributions towards the District's health benefit costs and capping the annual increase in the overall budget have helped to constrain the District's overall expenses, changes in the political powers that be could also result in revisions to these laws. As to the economy, the recent financial downturn has raised long-term concerns which effect how every household and organization looks at their finances. Of particular concern to the District is the recent period of decreasing real estate values. Due to its substantial reliance on local property tax levies as its main source of revenue, decreased real estate values and tax bases can have a negative impact on future tax assessments and the ability to raise tax levies as needed. This concern will likely continue for the foreseeable future. It will probably be alleviated only when the economy stabilizes and begins an extended period of real growth, which, in turn, should have a positive effect on the housing market.

Other factors which will affect the District's finances going forward include the uncertainty of future increases to costs which the District does not have strict control over (such as health benefits, general insurance and utilities) as well as the degree to which overall costs exceed the allowable annual increase to the district's total budget (now set at 2.0% annually by law). In an ongoing effort to minimize the effect of these factors, the District continues to be focused on ways to improve its revenue stream and control costs, as well as pursuing strategies where possible that can help mitigate some of the uncertainties that will certainly continue to exist.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 25 School House Road, Randolph, New Jersey 07869.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,280,740	\$ 515,998	\$ 4,796,738
Internal Balances	116,761	(116,761)	
Receivables from Other Governments	1,137,028	14,848	1,151,876
Prepaid Expenses		18,785	18,785
Inventory		8,011	8,011
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	1,270,615		1,270,615
Emergency Reserve Account - Cash and Cash Equivalents	350,000		350,000
Capital Assets:			
Land and Construction in Progress	7,551,713		7,551,713
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	46,802,459	182,884	46,985,343
Total Assets	<u>61,509,316</u>	<u>623,765</u>	<u>62,133,081</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	997,718		997,718
Charges in Assumptions - Pensions	826,784		826,784
Charges in Proportion - Pensions	909,189		909,189
Total Deferred Outflows of Resources	<u>2,733,691</u>		<u>2,733,691</u>
LIABILITIES			
Accrued Interest Payable	341,988		341,988
Unamortized Bond Premium	1,697,497		1,697,497
Accounts Payable - Vendors	1,525,563	957	1,526,520
Payable to Federal and State Government	21,672		21,672
Unearned Revenue	34,534	329,178	363,712
Noncurrent Liabilities:			
Due Within One Year	3,445,722		3,445,722
Due Beyond One Year	53,075,067	11,573	53,086,640
Total Liabilities	<u>60,142,043</u>	<u>341,708</u>	<u>60,483,751</u>
DEFERRED INFLOWS OF RESOURCES:			
Investment Gains - Pensions	1,566,903		1,566,903
Total Deferred Inflows of Resources	<u>1,566,903</u>		<u>1,566,903</u>
NET POSITION			
Net Investment in Capital Assets	24,938,166	182,884	25,121,050
Restricted for:			
Capital Projects	1,890,930		1,890,930
Debt Service	163,586		163,586
Other Purposes	1,037,238		1,037,238
Unrestricted (Deficit)	(25,495,859)	99,173	(25,396,686)
Total Net Position	<u>\$ 2,534,061</u>	<u>\$ 282,057</u>	<u>\$ 2,816,118</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction	\$ 57,734,945	\$ 115,096	\$ 23,975,105		\$ (33,644,744)		\$ (33,644,744)
Support Services:							
Tuition	3,098,614		1,085,301		(2,013,313)		(2,013,313)
Student & Instruction Related Services	14,107,962		2,303,809		(11,804,153)		(11,804,153)
General Administrative Services	2,307,620		209,673		(2,097,947)		(2,097,947)
School Administrative Services	4,606,622		868,604		(3,738,018)		(3,738,018)
Central Services	1,750,958		222,647		(1,528,311)		(1,528,311)
Administrative Information Technology	1,642,192		226,522		(1,415,670)		(1,415,670)
Plant Operations and Maintenance	8,711,530		1,133,999	\$ 273,876	(7,303,655)		(7,303,655)
Pupil Transportation	5,511,833		1,052,505		(4,459,328)		(4,459,328)
Interest on Long-Term Debt	1,073,055		274,653		(798,402)		(798,402)
Transfer of Funds to Charter Schools	78,078				(78,078)		(78,078)
Total Governmental Activities	100,623,409	115,096	31,352,818	273,876	(68,881,619)		(68,881,619)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,114,686	\$ 883,319	\$ 232,571		\$ 1,204	\$ 1,204	
Community School	1,346,504	1,543,180			196,676	196,676	
Total Business-Type Activities	2,461,190	2,426,499	232,571		197,880	197,880	
Total Primary Government	\$ 103,084,599	\$ 2,541,595	\$ 31,585,389	\$ 273,876	\$ (68,881,619)	197,880	(68,683,739)
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					68,452,559		68,452,559
Taxes Levied for Debt Service					3,780,553		3,780,553
Investment Earnings					11,435	1,452	12,887
Miscellaneous Income					301,757		301,757
Other Special Items						(14,198)	(14,198)
Total General Revenue and Special Items					72,546,304	(12,746)	72,533,558
Change in Net Position					3,664,685	185,134	3,849,819
Net Position - Beginning (Restated)					(1,130,624)	96,923	(1,033,701)
Net Position - Ending					\$ 2,534,061	\$ 282,057	\$ 2,816,118

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 3,027,909		\$ 1,252,831		\$ 4,280,740
Interfund Receivable:					
Special Revenue Fund	65,662				65,662
Capital Projects Fund	13,831			\$ 163,586	177,417
Enterprise Funds - Food Service	135,907				135,907
Receivables:					
Federal Government		\$ 147,810			147,810
State Government	989,218				989,218
Restricted Cash and Cash Equivalents	1,620,615				1,620,615
Total Assets	\$ 5,853,142	\$ 147,810	\$ 1,252,831	\$ 163,586	\$ 7,417,369
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable - Vendors	\$ 1,499,021	\$ 26,542			\$ 1,525,563
Interfund Payable:					
General Fund		65,662	\$ 13,831		79,493
Debt Service Fund			163,586		163,586
Enterprise Funds - Community School	19,146				19,146
Payable to State Government		21,672			21,672
Unearned Revenue	600	33,934			34,534
Total Liabilities	1,518,767	147,810	177,417		1,843,994

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted for:					
Capital Reserve Account	\$ 1,270,615				\$ 1,270,615
Emergency Reserve Account	350,000				350,000
Capital Projects Fund			\$ 620,315		620,315
Debt Service Fund				\$ 163,586	163,586
Excess Surplus	687,238				687,238
Committed:					
Capital Projects Fund			455,099		455,099
Assigned:					
Designated for Subsequent Year's Expenditures	794,774				794,774
Year End Encumbrances	694,142				694,142
Unassigned	537,606				537,606
Total Fund Balances	4,334,375		1,075,414	163,586	5,573,375
Total Liabilities and Fund Balances	<u>\$ 5,853,142</u>	<u>\$ 147,810</u>	<u>\$ 1,252,831</u>	<u>\$ 163,586</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$100,894,550 and the accumulated depreciation is \$46,540,378.	54,354,172
Long-term liabilities, such as bonds payable, capital leases and accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(30,228,081)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(26,292,708)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Change in Assumptions - Pensions	826,784
Change in Proportions - Pensions	909,189
Investment Gains - Pensions	(1,566,903)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(341,988)
Bond premiums are not reported as revenue in the governmental funds in the year of the bond sale, The premium is \$2,536,773 and accumulated amortization is \$839,276.	(1,697,497)
Deferred interest costs are not reported as expenditures in the governmental funds in the year of the expenditure. The deferred interest is \$1,654,419 and accumulated amortization is \$656,701.	997,718
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 2,534,061</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 68,452,559			\$ 3,780,553	\$ 72,233,112
Tuition Charges	115,096				115,096
Interest Earned on Capital Reserve Funds	3,668				3,668
Miscellaneous	309,524	\$ 106,604			416,128
Total - Local Sources	68,880,847	106,604		3,780,553	72,768,004
State Sources	21,273,423	113,715	\$ 273,876	274,653	21,935,667
Federal Sources		1,260,253			1,260,253
Total Revenue	90,154,270	1,480,572	273,876	4,055,206	95,963,924
EXPENDITURES					
Current:					
Regular Instruction	26,760,051	199,396			26,959,447
Special Education Instruction	6,332,062	1,023,398			7,355,460
Other Special Instruction	447,351				447,351
Other Instruction	1,581,357				1,581,357
Support Services and Undistributed Costs:					
Tuition	2,985,625				2,985,625
Student & Instruction Related Services	9,058,209	257,778			9,315,987
General Administrative Services	1,832,393				1,832,393
School Administrative Services	2,804,146				2,804,146
Central Services	747,096				747,096
Administrative Information Technology	1,201,344				1,201,344
Plant Operations and Maintenance	6,269,627				6,269,627
Pupil Transportation	4,062,684				4,062,684
Unallocated Benefits	22,196,694				22,196,694
Debt Service:					
Principal				2,940,000	2,940,000
Interest and Other Charges				1,115,206	1,115,206
Capital Outlay	1,211,691		2,680,117		3,891,808
Transfer of Funds to Charter Schools	78,078				78,078
Total Expenditures	87,568,408	1,480,572	2,680,117	4,055,206	95,784,303
Excess/(Deficiency) of Revenue over/(under) Expenditures	2,585,862		(2,406,241)		179,621
OTHER FINANCING SOURCES/(USES)					
School Refunding Bonds Issued				6,230,000	6,230,000
School Bonds Defeased				(6,205,000)	(6,205,000)
Bond Premium				213,367	213,367
Bond Issuance Costs				(102,707)	(102,707)
Deferred Bond Interest				(135,660)	(135,660)
Capital Leases (Non-Budgeted)	163,226				163,226
Transfers In	13,831		2,391,954	157,716	2,563,501
Transfers Out	(2,391,954)		(171,547)		(2,563,501)
Total Other Financing Sources/(Uses)	(2,214,897)		2,220,407	157,716	163,226
Net Change in Fund Balances	370,965		(185,834)	157,716	342,847
Fund Balance—July 1 (Restated)	3,963,410		1,261,248	5,870	5,230,528
Fund Balance—June 30	\$ 4,334,375	\$ - 0 -	\$ 1,075,414	\$ 163,586	\$ 5,573,375

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ 342,847
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays and adjustments in the period.		
	Depreciation expense	\$ (2,931,794)
	Adjustments	14,198
	Capital outlays	<u>3,678,154</u>
		760,558
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(82,374)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		2,940,000
Debt issued for the advanced refunding less the amount of bonds defeased are not recorded in the governmental fund	School Refunding Bonds Issued	(6,230,000)
	School Bonds Defeased	6,205,000
	Bond Premium	(213,367)
	Deferred Bond Interest	<u>135,660</u>
		(102,707)
Proceeds from capital lease issues are a financing source in the governmental funds, they are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net position		(163,226)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		120,914
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		140,181
The governmental funds report the effect of premiums and deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		69,107
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(529,685)
Deferred Outflows:		
Changes in Assumptions		826,784
Changes in Proportion		909,189
Deferred Inflows:		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>(1,566,903)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 3,664,685</u>

Exhibit B-4

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
<u>ASSETS:</u>		
Current assets:		
Cash and cash equivalents	\$ 515,998	
Accounts receivable:		
State		\$ 605
Federal		14,243
Interfund receivable	19,146	
Prepaid expenses	18,785	
Inventories		8,011
Total current assets	553,929	22,859
Non-current assets:		
Capital assets		634,387
Accumulated depreciation		(451,503)
Total non-current assets		182,884
Total assets	553,929	205,743
<u>LIABILITIES:</u>		
Current liabilities:		
Accounts payable - Vendors	957	
Interfund payable		135,907
Unearned revenue	272,545	56,633
Long-term liabilities:		
Compensated absences payable		11,573
Total Liabilities	273,502	204,113
<u>NET POSITION/(DEFICIT):</u>		
Net Investment in capital assets		182,884
Unrestricted	280,427	(181,254)
Total net position	\$ 280,427	\$ 1,630

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
Operating revenue		
Local sources:		
Daily sales - reimbursable programs		\$ 242,305
Daily sales - non-reimbursable programs		641,014
Community School - regular program fees	\$ 1,375,035	
Community School - summer program fees	168,145	
Total operating revenue	1,543,180	883,319
Operating expenses:		
Cost of sales		577,828
Salaries	940,881	364,014
Employee benefits	165,303	97,162
Purchased professional/technical services	37,790	13,273
Other purchased services	92,724	
Supplies and materials	70,992	960
Miscellaneous	28,519	41,150
Depreciation	10,295	20,299
Total operating expenses	1,346,504	1,114,686
Operating income/(loss)	196,676	(231,367)
Non-operating revenue:		
State sources:		
State school lunch program		8,394
Federal sources:		
National school lunch program		189,292
Food distribution program		34,885
Local sources:		
Interest income	1,026	426
Total non-operating revenue	1,026	232,997
Change in net position before special item	197,702	1,630
Special Item - Loss on Disposal of Equipment	(14,198)	
Change in net position	183,504	1,630
Net position - beginning of year	96,923	
Net position - end of year	\$ 280,427	\$ 1,630

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
Cash flows from operating activities:		
Receipts from customers	\$ 1,502,450	\$ 896,622
Payments to employees	(1,106,184)	(475,499)
Payments to suppliers	(229,816)	(668,211)
Net cash provided by /(used for) operating activities	<u>166,450</u>	<u>(247,088)</u>
Cash flows from investing activities:		
Interest income	1,026	426
Net cash provided by investing activities	<u>1,026</u>	<u>426</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		(9,647)
Net cash used for capital and related financing activities		<u>(9,647)</u>
Cash flows from noncapital financing activities:		
Cash received from state and federal reimbursements		197,812
Cash (paid to)/received from General Fund-Interfund	(5,448)	58,497
Net cash provided by/(used for) noncapital financing activities	<u>(5,448)</u>	<u>256,309</u>
Net increase in cash and cash equivalents	162,028	
Cash and cash equivalents, July 1	<u>353,970</u>	
Cash and cash equivalents, June 30	<u>\$ 515,998</u>	<u>\$ -0-</u>
Reconciliation of operating income/(loss) to net cash provided by/(used for) operating activities:		
Operating income/(loss)	\$ 196,676	\$ (231,367)
Adjustment to reconcile operating income/(loss) to net cash provided by (used for) operating activities:		
Depreciation	10,295	20,299
Federal food distribution program		34,885
Changes in assets and liabilities:		
Decrease in inventory		2,774
(Increase) in prepaid expenses	(748)	
Increase/(decrease) in accounts payable	957	(72,659)
Increase/(decrease) in unearned revenue	(40,730)	13,303
(Decrease) in compensated absences payable		(14,323)
Net cash provided by / (used for) operating activities	<u>\$ 166,450</u>	<u>\$ (247,088)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$34,432 and utilized \$34,885 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2015.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 762,552	\$ 45,239	\$ 7,654
Total assets	<u>762,552</u>	<u>45,239</u>	<u>7,654</u>
<u>LIABILITIES:</u>			
Payroll deductions and withholdings	491,821		
Due to student groups	<u>270,731</u>		
Total liabilities	<u>762,552</u>		
<u>NET POSITION:</u>			
Held in Trust for:			
Scholarships		45,239	
Flexible spending claims			<u>7,654</u>
Total net position	<u>\$ - 0 -</u>	<u>\$ 45,239</u>	<u>\$ 7,654</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
Additions:		
Contributions:		
Donations	\$ 21,655	
Plan member		\$ 81,849
Total Contributions	<u>21,655</u>	<u>81,849</u>
Investment earnings:		
Interest	<u>68</u>	
Total Additions	<u>21,723</u>	<u>81,849</u>
Deductions:		
Scholarships awarded	14,991	
Flexible Spending Claims		<u>78,429</u>
Total Deductions	<u>14,991</u>	<u>78,429</u>
Change in net position	6,732	3,420
Net position—beginning of the year	<u>38,507</u>	<u>4,234</u>
Net position—end of the year	<u>\$ 45,239</u>	<u>\$ 7,654</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Township of Randolph School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school, a high school and a community school located in the Township of Randolph. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd):

capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub fund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise Fund: The District has two Enterprise Funds. The Food Service Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The Community School Enterprise Fund accounts for all revenue and expenses pertaining to the operations of the community school. These two funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, Flexible Spending Trust and Private Purpose Scholarship Trust Fund.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 90,172,561	\$ 1,474,118
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis does not.		6,454
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,249,239	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(1,267,530)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 90,154,270</u>	 <u>\$ 1,480,572</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" from the Budgetary Comparison Schedule	\$ 87,568,408	\$ 1,474,118
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>6,454</u>
 Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 87,568,408</u>	 <u>\$ 1,480,572</u>
	<u>Capital Projects Fund</u>	
	<u>Revenue</u>	<u>Fund Balance</u>
Revenue/Fund Balance	\$ 1,832,204	\$ 2,633,742
Reconciliation of Capital Projects Fund:		
SDA Grant Revenue/Receivable Not Recognized on GAAP Basis	<u>(1,558,328)</u>	<u>(1,558,328)</u>
 Per Governmental Funds (GAAP)	 <u>\$ 273,876</u>	 <u>\$ 1,075,414</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenue. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenue/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to restrict a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances (Cont'd)

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	30 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental funds upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2015.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. These employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the applicable District employee contract/agreement.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$4,334,375 General Fund fund balance at June 30, 2015, \$1,488,916 is assigned fund balance of which \$694,142 is for year-end encumbrances and \$794,774 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016; \$687,238 is restricted as current year surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June, 30, 2017; \$1,270,615 is restricted in the capital reserve account; \$350,000 is restricted in the emergency reserve account; and there is \$537,606 in unassigned fund balance which is \$1,267,530 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2016.

Capital Projects Fund: Of the \$1,075,414 Capital Projects Fund fund balance at June 30, 2015, \$620,315 is restricted and \$455,099 is committed.

Debt Service Fund: The restricted Debt Service Fund fund balance at June 30, 2015 is \$163,586.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2015 as indicated above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$1,267,530 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources for the Deferred Amount on Refunding at June 30, 2015, changes in assumptions in pensions and changes in proportion in pension.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Deficit Net Position:

The District has a deficit in unrestricted net position of \$25,495,859 in governmental activities, which is primarily due to accrued interest payable of \$341,988, \$812,075 of compensated absences payable, an unamortized bond premium of \$1,697,497, investment gains in pensions of \$1,566,903 and net pension liability of \$26,292,708 offset by deferred interest of \$997,718, changes in pension assumptions of \$826,784, changes in proportion in pensions of \$909,189 and Governmental Funds assigned fund balances. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

The District has a deficit in unrestricted net position in the Food Service Fund of \$181,254 at June 30, 2015. The District has contracted with a Food Service Management Company to improve operating performance of its cafeteria program.

S. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, an emergency reserve, the Capital Projects Fund and the Debt Service Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2015.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2015.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. These revenues are food service sales and community school fees. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	NJ Cash Management Fund	Restricted Cash and Cash Equivalents		Total
			Capital Reserve Account	Emergency Reserve Account	
Checking and Savings Accounts	\$ 5,583,821		\$ 1,270,615	\$ 350,000	\$ 7,204,436
NJ Cash Management Fund		\$ 28,362			28,362
	\$ 5,583,821	\$ 28,362	\$ 1,270,615	\$ 350,000	\$ 7,232,798

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$7,232,798 and the bank balance was \$8,006,286. The District had \$28,362 with the State of New Jersey Cash Management Fund that was not insured or registered.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2015, the District transferred \$314,622 to the capital outlay accounts. The transfers were made for equipment and therefore did not require approval from the County Superintendent.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 3,465,955			\$ 3,465,955
Construction in Progress	1,405,641	\$ 2,680,117		4,085,758
Total Capital Assets Not Being Depreciated	<u>4,871,596</u>	<u>2,680,117</u>		<u>7,551,713</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	76,415,577	235,750		76,651,327
Machinery and Equipment	16,126,362	762,287	\$ (197,139)	16,691,510
Total Capital Assets Being Depreciated	<u>92,541,939</u>	<u>998,037</u>	<u>(197,139)</u>	<u>93,342,837</u>
Governmental Activities Capital Assets	<u>97,413,535</u>	<u>3,678,154</u>	<u>(197,139)</u>	<u>100,894,550</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(30,881,820)	(2,149,652)		(33,031,472)
Machinery and Equipment	(12,938,101)	(782,142)	211,337	(13,508,906)
	<u>(43,819,921)</u>	<u>(2,931,794)</u>	<u>211,337</u>	<u>(46,540,378)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 53,593,614</u>	<u>\$ 746,360</u>	<u>\$ 14,198</u>	<u>\$ 54,354,172</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 662,266	\$ 9,647	\$ (37,526)	\$ 634,387
Less Accumulated Depreciation	(444,237)	(30,594)	23,328	(451,503)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 218,029</u>	<u>\$ (20,947)</u>	<u>\$ (14,198)</u>	<u>\$ 182,884</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 979,559
Special Education Instruction	230,792
Other Special Instruction	16,317
Other Instruction	78,012
Tuition	112,989
Student and Instruction Related Services	334,173
General Administrative Services	70,369
School Administrative Services	131,793
Central Services	573,687
Operations and Maintenance of Plant	254,861
Student Transportation	149,242
	<u>\$ 2,931,794</u>

The District's Community School had two vehicles as capital assets which they deemed were no longer necessary and transferred them to Governmental Activities during the year.

The District had active construction projects totaling \$16,508,781 as of June 30, 2015.

NOTE 6. OPERATING LEASES

The District has commitments to lease copying equipment, mail equipment and bus garage space under operating leases which expire in 2016 through 2017. Total operating lease payments made during the year ended June 30, 2015 were \$50,188. Future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 32,480
2017	4,859
	<u> </u>
Total Future Minimum Lease Payments	<u>\$ 37,339</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2014	Accrued	Retired	Balance 6/30/2015
Bonds Payable	\$ 31,930,000	\$ 6,230,000	\$ 9,145,000	\$ 29,015,000
Net Pension Liability	25,763,023	529,685		26,292,708
Compensated Absences Payable	755,597	101,834	33,783	823,648
Obligations Under Capital Leases	358,694	163,226	120,914	401,006
	<u>\$ 58,807,314</u>	<u>\$ 7,024,745</u>	<u>\$ 9,299,697</u>	<u>\$ 56,532,362</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund. The current portion of bonds payable is \$3,170,000 and the long-term portion is \$25,845,000.

On May 27, 2015 the District issued \$6,230,000 refunding bonds with interest rates ranging from .40%-3.25% to refund \$6,205,000 of the \$16,800,000 advance refunding bonds dated March 1, 2005 with rates ranging from 4.00- 5.00%. The refunding bonds will mature on August 1, 2015 through August 1, 2019 and constitute an advanced refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who will pay the debt service requirements of the refunded bonds and will redeem the refunded bonds, at a redemption price equal to 100% of par, on August 1, 2015, which is the first optional redemption date. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by \$298,062, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt).

Principal and interest due on serial bonds outstanding are as follows:

Year Ending June 30,	Bonds		Total
	Principal	Interest	
2016	\$ 3,170,000	\$ 828,520	\$ 3,998,520
2017	3,120,000	783,769	3,903,769
2018	3,165,000	703,619	3,868,619
2019	3,230,000	610,987	3,840,987
2020	2,505,000	527,706	3,032,706
2021-2025	9,850,000	1,668,619	11,518,619
2026-2030	3,975,000	334,375	4,309,375
	<u>\$ 29,015,000</u>	<u>\$ 5,457,595</u>	<u>\$ 34,472,595</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had \$900 of bonds authorized but not issued.

C. Capital Leases Payable:

The District entered into capital leases for technology equipment and buses totaling \$616,350. The capital leases are for five years in length and will be liquidated by the General Fund. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2015.

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 128,446
2017	128,446
2018	128,446
2019	34,016
Total Minimum Lease Payables	<u>419,354</u>
Less: Amount representing interest	<u>18,348</u>
Present value of net minimum lease payments	<u>\$ 401,006</u>

The current portion of capital leases payable is \$120,025 and the long-term portion is \$280,981.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds at June 30, 2015 is \$155,697 and is shown separately from the long-term liability balance of compensated absences of \$656,378.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, a liability of \$11,573 existed for compensated absences in the Food Service Fund.

Compensated Absences Payable will be liquidated by the General Fund with the exception of the compensated absences in the Proprietary Funds, which will be liquidated by the Food Service Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$26,292,708. See Note 8 for further information on the PERS.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,157,701 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$26,292,708 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.140%, which was an increase of 0.006% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$1,531,962. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 826,784	
Changes in Proportion	909,189	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 1,566,903
	<u>\$ 1,735,973</u>	<u>\$ 1,566,903</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2015	\$ (239,743)
2016	(239,743)
2017	(239,743)
2018	(239,743)
2019	151,982
Thereafter	66,872
	\$ (740,118)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)A. Public Employees' Retirement System (PERS) (Cont'd)Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Fiscal Year Ended June 30, 2014</u>		
	<u>1%</u> <u>Decrease</u> <u>(4.39%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(5.39%)</u>	<u>1%</u> <u>Increase</u> <u>(6.39%)</u>
District's proportionate share of the Net Pension Liability	\$ 33,077,122	\$ 26,292,708	\$ 20,595,527

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$1,948,383 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$10,272,554.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$190,906,353. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.357%, which was an increase of 0.002% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>190,906,353</u>
Total	<u>\$ 190,906,353</u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$10,272,554 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		1,741,236,574
	<u>\$ 2,306,623,861</u>	<u>\$ 1,763,205,593</u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$5,557 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$10,187 for the fiscal year ended June 30, 2015.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$3,093,058, \$2,477,571 and \$2,597,435 for 2015, 2014 and 2013, respectively.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided by Horizon Blue Cross Blue Shield.

Property and Liability

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found on Exhibit J-20 in the Statistical section of this Comprehensive Annual Financial Report. The Township of Randolph School District is a member of the Pooled Insurance Program of New Jersey ("PIP"). This PIP provides its members with Workers' Compensation Insurance. The PIP is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the PIP are elected.

As a member of the PIP, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the PIP were to be exhausted, members would become responsible for their respective shares of the PIP's liabilities. The PIP can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

The audit for the year ended June 30, 2015 was not available as of the date of this report. Selected, summarized financial information for the PIP as of June 30, 2014 is as follows:

Total Assets	<u>\$ 22,450,519</u>
Net Position	<u>\$ 6,847,812</u>
Total Revenue	<u>\$ 8,106,185</u>
Total Expenses	<u>\$ 5,449,440</u>
Change in Net Position	<u>\$ 2,656,745</u>
Member Dividends	<u>\$ 1,406,890</u>

Financial statements for the PIP are available at the Administrator's Office.

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New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District remits employee withholdings and employer's share of New Jersey Unemployment Compensation Insurance taxes to the State each pay period. The State makes all unemployment payments to former employees, and the District has no further liability.

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 215,400	\$ 19,146
Special Revenue Fund		65,662
Capital Projects Fund		177,417
Debt Service Fund	163,586	
Enterprise Fund	19,146	135,907
	<u>\$ 398,132</u>	<u>\$ 398,132</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES (Cont'd)

The interfund between the General Fund and the Special Revenue Fund is the result of a cash deficit in the Special Revenue Fund due to the funding method for federally funded grants. The General Fund made disbursements throughout the year on behalf of the Food Service Enterprise Fund and the Community School Enterprise Fund. The interfund between the Debt Service Fund and the Capital Projects Fund is the result of unexpended funds of completed projects in the Capital Projects Fund not yet returned.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by Great American Plan Administrators, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plans offered by the District are as follows:

Equitable
Lincoln Financial Advisors

The District also offers an Internal Revenue Code Section 457 plan to its employees through MetLife.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten- day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

The School District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in claims and pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 694,142	\$ 16,199	\$ 1,487,627	\$ 2,197,968

On the District's Governmental Funds Balance Sheet as of June 30, 2015 \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$16,199 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as a reduction in grants receivables or an increase in unearned revenue in the Special Revenue Fund. The \$1,487,627 of fiscal year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the \$455,099 committed fund balance on a GAAP basis at June 30, 2015 which is \$1,558,328 less on the GAAP basis due to SDA grants which have not been recognized.

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its school bond issues. The amount of liability at June 30, 2015, if any, is unknown.

NOTE 16. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Randolph Township Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes, or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d)7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 16. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014		\$ 1,467,247
Interest Earnings	\$ 3,668	
Deposits:		
Transfer by Board Resolution June 2015	<u>1,000,000</u>	
		<u>1,003,668</u>
		2,470,915
Withdrawals:		
Board resolution		<u>(1,200,300)</u>
Ending balance, June 30, 2015		<u><u>\$ 1,270,615</u></u>

The June 30, 2015 LRFPP balance of local support costs of uncompleted capital projects exceeded the balance in the capital reserve account. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFPP.

NOTE 17. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Randolph Township Board of Education. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 350,000
Ending balance, June 30, 2015	<u><u>\$ 350,000</u></u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The District made a prior year adjustment in the Governmental Funds balance sheet to reclassify prior year expenditures for the 2012 referendum project of \$113,000 from the Capital Project Fund to the General Fund as of June 30, 2014. The financial statements for June 30, 2014 have been restated as follows:

	Balance 6/30/14 as Previously Reported	Retroactive Adjustments	Balance 6/30/14 as Restated
<u>Statement of Net Assets:</u>			
<u>Governmental Activities:</u>			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	\$ 29,866,882	\$ 25,763,023	\$ 55,629,905
Total Liabilities	35,672,633	25,763,023	61,435,656
Net Position:			
Unrestricted/(Deficit)	989,899	(25,763,023)	(24,773,124)
Total Net Position	24,632,399	(25,763,023)	(1,130,624)
 <u>Balance Sheet - Governmental Funds:</u>			
General Fund:			
Fund Balances:			
Unassigned	\$ 4,076,410	\$ (113,000)	\$ 3,963,410
 Capital Projects Fund:			
Fund Balances:			
Restricted	514,463	113,000	627,463
Total Fund Balances	1,148,248	113,000	1,261,248

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.1348003362%	0.1404319814%
District's proportionate share of the net pension liability	\$ 25,763,023	\$ 26,292,708
District's covered employee payroll	\$ 9,395,315	\$ 9,621,273
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	274.21%	273.28%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 1,015,693	\$ 1,157,701
Contributions in relation to the contractually required contribution	<u>(1,015,693)</u>	<u>(1,157,701)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 9,395,315	\$ 9,621,273
Contributions as a percentage of covered employee payroll	10.81%	12.03%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.3555020767%	0.3571898561%
State's proportionate share of the net pension liability attributable to the District	\$ 179,667,953	\$ 190,906,353
District's covered employee payroll	\$ 35,964,098	\$ 36,242,645
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	499.58%	526.75%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 68,452,559		\$ 68,452,559	\$ 68,452,559	
Tuition from Individuals				89,997	\$ 89,997
Tuition from LEA's Within State				25,099	25,099
Transportation Fees from Individuals				11,362	11,362
Transportation Fees from Other LEA's				41,328	41,328
Rents and Royalties		\$ 20,000	20,000	58,479	38,479
Interest Earned on Capital Reserve Funds	2,000		2,000	3,668	1,668
Interest on Investments				7,767	7,767
Miscellaneous	178,000	(20,000)	158,000	190,588	32,588
Total - Local Sources	<u>68,632,559</u>		<u>68,632,559</u>	<u>68,880,847</u>	<u>248,288</u>
State Sources:					
Transportation Aid	323,179		323,179	323,179	
Equalization Aid	7,895,104		7,895,104	7,895,104	
Categorical Special Education Aid	3,234,926		3,234,926	3,234,926	
Categorical Security Aid	103,893		103,893	103,893	
Adjustment Aid	1,119,547		1,119,547	1,118,636	(911)
Extraordinary Aid	700,000		700,000	827,523	127,523
PARCC Readiness Aid	47,185		47,185	47,185	
Per Pupil Growth Aid	47,185		47,185	47,185	
Other State Aid - Non Public Transportation				34,855	34,855
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,948,383	1,948,383
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				3,093,058	3,093,058
TPAF Social Security (Reimbursed - Non-Budgeted)				2,617,787	2,617,787
Total State Sources	<u>13,471,019</u>		<u>13,471,019</u>	<u>21,291,714</u>	<u>7,820,695</u>
Federal Sources:					
SEMI (Special Ed Medicaid Initiative)	21,607		21,607		(21,607)
Total - Federal Sources	<u>21,607</u>		<u>21,607</u>		<u>(21,607)</u>
Total Revenues	<u>82,125,185</u>		<u>82,125,185</u>	<u>90,172,561</u>	<u>8,047,376</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 393,663	\$ (4,401)	\$ 389,262	\$ 388,708	\$ 554
Grades 1-5 - Salaries of Teachers	8,487,705	(385,122)	8,102,583	8,097,727	4,856
Grades 6-8 - Salaries of Teachers	6,466,645	(244,657)	6,221,988	6,214,585	7,403
Grades 9-12 - Salaries of Teachers	9,540,280	(109,719)	9,430,561	9,427,015	3,546
Regular Programs - Home Instruction:					
Salaries of Teachers	62,955	76,883	139,838	139,838	
Purchased Professional-Educational Services	36,750		36,750	21,181	15,569
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	221,000	324,362	545,362	545,343	19
Purchased Professional - Educational Services	211,650	72,694	284,344	262,857	21,487
Purchased Technical Services	37,000	(17,018)	19,982	12,378	7,604
Other Purchased Services	242,040	25,551	267,591	248,982	18,609
General Supplies	1,396,412	4,605	1,401,017	1,246,219	154,798
Textbooks	88,817	49,090	137,907	118,594	19,313
Other Objects	59,534		59,534	36,624	22,910
Total Regular Programs - Instruction	<u>27,244,451</u>	<u>(207,732)</u>	<u>27,036,719</u>	<u>26,760,051</u>	<u>276,668</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	735,230	68,029	803,259	803,259	
Other Salaries for Instruction	158,703	197,965	356,668	356,668	
General Supplies	23,500	(9,413)	14,087	14,040	47
Total Learning and/or Language Disabilities	<u>917,433</u>	<u>256,581</u>	<u>1,174,014</u>	<u>1,173,967</u>	<u>47</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Auditory Impairments:					
General Supplies	\$ 7,300	\$ (3,860)	\$ 3,440	\$ 3,327	\$ 113
Total Auditory Impairments	<u>7,300</u>	<u>(3,860)</u>	<u>3,440</u>	<u>3,327</u>	<u>113</u>
Behavioral Disabilities:					
Salaries of Teachers	54,988	51,579	106,567	106,567	
Other Salaries for Instruction	22,715	23,974	46,689	46,689	
General Supplies	10,000	1,859	11,859	11,859	
Total Behavioral Disabilities	<u>87,703</u>	<u>77,412</u>	<u>165,115</u>	<u>165,115</u>	
Multiple Disabilities:					
Other Salaries for Instruction	25,500	(1,000)	24,500	24,431	69
General Supplies	14,057	(13,929)	128	128	
Total Multiple Disabilities	<u>39,557</u>	<u>(14,929)</u>	<u>24,628</u>	<u>24,559</u>	<u>69</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,777,049	87,755	3,864,804	3,864,804	
Other Salaries for Instruction	525,712	167,151	692,863	692,863	
Purchased Professional Education Services	-	1,733	1,733	1,733	
General Supplies	44,000	(21,103)	22,897	22,841	56
Total Resource Room/Resource Center	<u>4,346,761</u>	<u>235,536</u>	<u>4,582,297</u>	<u>4,582,241</u>	<u>56</u>
Autism:					
General Supplies		2,093	2,093	2,093	
Total Autism		<u>2,093</u>	<u>2,093</u>	<u>2,093</u>	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	285,842	(4,800)	281,042	281,026	16
Other Salaries for Instruction	199,689	(107,146)	92,543	92,509	34
General Supplies	6,000	1,225	7,225	7,225	
Total Preschool Disabilities - Full-Time	<u>491,531</u>	<u>(110,721)</u>	<u>380,810</u>	<u>380,760</u>	<u>50</u>
Total Special Education - Instruction	<u>5,890,285</u>	<u>442,112</u>	<u>6,332,397</u>	<u>6,332,062</u>	<u>335</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	324,487	(101,278)	223,209	223,209	
General Supplies	5,250	(3,030)	2,220	849	1,371
Textbooks	2,000	(2,000)			
Total Basic Skills/Remedial - Instruction	<u>331,737</u>	<u>(106,308)</u>	<u>225,429</u>	<u>224,058</u>	<u>1,371</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 221,640	\$ (4,709)	\$ 216,931	\$ 216,931	
Other Purchased Services	1,200		1,200	370	\$ 830
General Supplies	4,447		4,447	2,433	2,014
Textbooks	5,050		5,050	3,559	1,491
Total Bilingual Education - Instruction	<u>232,337</u>	<u>(4,709)</u>	<u>227,628</u>	<u>223,293</u>	<u>4,335</u>
School-Spon. Cocurricular Actvts. - Instruction:					
Salaries	371,534		371,534	361,069	10,465
Supplies and Materials	44,483	(314)	44,169	30,667	13,502
Other Objects	38,925	467	39,392	35,656	3,736
Total School-Spon. Cocurricular Actvts. - Instruction	<u>454,942</u>	<u>153</u>	<u>455,095</u>	<u>427,392</u>	<u>27,703</u>
School-Spon. Athletics - Instruction:					
Salaries	970,938	(2,860)	968,078	838,009	130,069
Purchased Services	76,270	3,990	80,260	70,941	9,319
Supplies and Materials	86,300	4,781	91,081	76,555	14,526
Other Objects	53,760		53,760	51,195	2,565
Total School-Spon. Athletics - Instruction	<u>1,187,268</u>	<u>5,911</u>	<u>1,193,179</u>	<u>1,036,700</u>	<u>156,479</u>
Summer School - Instruction:					
Salaries of Teachers		88,351	88,351	88,351	
Total Summer School - Instruction		<u>88,351</u>	<u>88,351</u>	<u>88,351</u>	
Summer School - Support Services:					
Salaries		28,914	28,914	28,914	
Total Summer School - Support Services		<u>28,914</u>	<u>28,914</u>	<u>28,914</u>	
Total Instruction	<u>35,341,020</u>	<u>246,692</u>	<u>35,587,712</u>	<u>35,120,821</u>	<u>466,891</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	333,883	246	334,129	334,129	
Tuition to County Voc. School District - Regular	375,580	40,313	415,893	415,893	
Tuition to County Voc. School District - Special	24,508	(24,508)			
Tuition to CSSD & Regional Day Schools	63,126	1,808	64,934	64,934	
Tuition to Private Schools for the Handicapped - Within State	2,567,248	(239,528)	2,327,720	2,170,669	157,051
Total Undistributed Expenditures - Instruction	<u>3,364,345</u>	<u>(221,669)</u>	<u>3,142,676</u>	<u>2,985,625</u>	<u>157,051</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services:					
Salaries	\$ 777,357	\$ (21,811)	\$ 755,546	\$ 752,743	\$ 2,803
Purchased Professional and Technical Services	6,490	5,500	11,990	7,778	4,212
Other Purchased Services	1,000	(500)	500	42	458
Supplies and Materials	35,323	(5,572)	29,751	28,107	1,644
Total Undistributed Expenditures - Health Services	<u>820,170</u>	<u>(22,383)</u>	<u>797,787</u>	<u>788,670</u>	<u>9,117</u>
Undist. Expend. - Speech, OT, PT, Related Services:					
Salaries	1,123,145	(42,608)	1,080,537	1,080,537	
Purchased Professional - Educational Services	148,176	118,346	266,522	244,322	22,200
Supplies and Materials	7,500	(5,871)	1,629	1,629	
Total Undist. Expend. - Speech, OT, PT, Related Services	<u>1,278,821</u>	<u>69,867</u>	<u>1,348,688</u>	<u>1,326,488</u>	<u>22,200</u>
Undist. Expend. - Other Supp. Serv. Students-Extraordinary:					
Salaries	887,061	(228,749)	658,312	657,578	734
Purchased Professional - Educational Services	366,768	10,030	376,798	375,825	973
Total Undist. Expend. - Other Supp. Serv. Students-Extraordinary	<u>1,253,829</u>	<u>(218,719)</u>	<u>1,035,110</u>	<u>1,033,403</u>	<u>1,707</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,356,186	(157,280)	1,198,906	1,179,952	18,954
Salaries of Secretarial and Clerical Assistants	223,341	15,446	238,787	238,787	
Other Purchased Prof. and Tech. Services	12,940	(242)	12,698	10,561	2,137
Other Purchased Services	4,200		4,200	1,045	3,155
Supplies and Materials	25,111	(9,916)	15,195	10,412	4,783
Total Undist. Expend. - Guidance	<u>1,621,778</u>	<u>(151,992)</u>	<u>1,469,786</u>	<u>1,440,757</u>	<u>29,029</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	\$ 1,906,319	\$ (242,580)	\$ 1,663,739	\$ 1,663,504	\$ 235
Salaries of Secretarial and Clerical Assistants	169,573	(150)	169,423	154,736	14,687
Purchased Professional - Educational Services	483,815	158,250	642,065	598,793	43,272
Other Purchased Prof. and Tech. Services	2,000	(1,225)	775	767	8
Miscellaneous Purchased Services (400-500 series)	10,000	(7,500)	2,500	1,706	794
Supplies and Materials	25,000	31,547	56,547	55,399	1,148
Other Objects	1,000	(275)	725	725	
Total Undist. Expend. - Child Study Team	<u>2,597,707</u>	<u>(61,933)</u>	<u>2,535,774</u>	<u>2,475,630</u>	<u>60,144</u>
Undist. Expend. - Improvement of Inst. Serv.:					
Salaries of Supervisor of Instruction	953,789	124,633	1,078,422	1,036,438	41,984
Salaries of Other Professional Staff	69,483	29,029	98,512	92,806	5,706
Salaries of Secretarial and Clerical Assistants	53,168		53,168	51,399	1,769
Purchased Professional - Educational Services	258,904	(50,726)	208,178	121,460	86,718
Other Purchased Services	7,578	4,711	12,289	5,406	6,883
Supplies and Materials	56,000	(11,886)	44,114	38,258	5,856
Other Objects	11,420	(394)	11,026	1,054	9,972
Total Undist. Expend. - Improvement of Inst. Serv.	<u>1,410,342</u>	<u>95,367</u>	<u>1,505,709</u>	<u>1,346,821</u>	<u>158,888</u>
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	421,354	(56,046)	365,308	365,308	
Purchased Professional Education Services		12,240	12,240	12,235	5
Supplies and Materials	111,350	(9,751)	101,599	97,822	3,777
Other Objects	4,000	(2,000)	2,000	1,995	5
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>536,704</u>	<u>(55,557)</u>	<u>481,147</u>	<u>477,360</u>	<u>3,787</u>
Undist. Expend. - Instructional Staff Training Serv.:					
Salaries of Supervisors of Instruction	50,203	6,556	56,759	54,549	2,210
Other Salaries	5,408		5,408		5,408
Purchased Professional - Educational Services	352,668	(82,759)	269,909	85,377	184,532
Other Purchased Services (400-500 series)	18,448	17,167	35,615	29,154	6,461
Total Undist. Expend. - Instructional Staff Training Serv.	<u>426,727</u>	<u>(59,036)</u>	<u>367,691</u>	<u>169,080</u>	<u>198,611</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.:					
Salaries	\$ 631,177	\$ 39,788	\$ 670,965	\$ 666,965	\$ 4,000
Legal Services	214,220	75,405	289,625	246,625	43,000
Audit Fees	169,832	(31,099)	138,733	86,500	52,233
Other Purchased Professional Services	184,798	(98,900)	85,898	82,495	3,403
Purchased Technical Services	35,000	(12,198)	22,802	10,819	11,983
Communications/Telephone	7,624	(750)	6,874	5,400	1,474
Other Purchased Services (400-500 series)	362,440	255,615	618,055	615,356	2,699
BOE Membership Dues and Fees	27,361		27,361	26,663	698
General Supplies	40,656	(4,160)	36,496	29,430	7,066
Judgments Against the School District	50,000	(1,901)	48,099	48,099	
Miscellaneous Expenditures	24,669	(8,587)	16,082	14,041	2,041
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>1,747,777</u>	<u>213,213</u>	<u>1,960,990</u>	<u>1,832,393</u>	<u>128,597</u>
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,786,874	133,585	1,920,459	1,805,009	115,450
Salaries of Secretarial and Clerical Assistants	966,375	1,297	967,672	957,990	9,682
Purchased Professional and Technical Services	4,618	1,988	6,606	5,642	964
Other Purchased Services	7,150	(665)	6,485	359	6,126
Supplies and Materials	35,800	174	35,974	26,792	9,182
Other Objects	23,300	(2,558)	20,742	8,354	12,388
Total Undist. Expend. - Support Serv. - School Admin.	<u>2,824,117</u>	<u>133,821</u>	<u>2,957,938</u>	<u>2,804,146</u>	<u>153,792</u>
Undist. Expend. - Central Services:					
Salaries	729,784	(21,552)	708,232	708,232	
Purchased Technical Services	29,973	13,000	42,973	11,540	31,433
Misc. Purchased Services	20,844		20,844	14,711	6,133
Supplies and Materials	7,722	3,650	11,372	8,790	2,582
Other Objects	7,629	(194)	7,435	3,823	3,612
Total Undist. Expend. - Central Services	<u>795,952</u>	<u>(5,096)</u>	<u>790,856</u>	<u>747,096</u>	<u>43,760</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Tech.					
Salaries	\$ 518,720	\$ 201,836	\$ 720,556	\$ 720,556	
Purchased Professional Services	389,925	(31,065)	358,860	358,769	\$ 91
Other Purchased Services	156,483	(19,709)	136,774	117,557	19,217
Supplies and Materials	4,857	4,857	4,857	4,462	395
Total Undist. Expend. - Admin. Info. Tech.	<u>1,065,128</u>	<u>155,919</u>	<u>1,221,047</u>	<u>1,201,344</u>	<u>19,703</u>
Undist. Expend. - Required Maintenance for Sch. Facilities:					
Salaries	424,307	57,583	481,890	480,568	1,322
Cleaning, Repair and Maintenance Services	728,784	(33,765)	695,019	610,233	84,786
General Supplies	165,529	17,433	182,962	169,615	13,347
Total Undist. Expend. - Required Maintenance for Sch. Facil.	<u>1,318,620</u>	<u>41,251</u>	<u>1,359,871</u>	<u>1,260,416</u>	<u>99,455</u>
Undist. Expend. - Custodial Services:					
Salaries	2,250,065	(10,025)	2,240,040	2,237,601	2,439
Salaries of Non-Instructional Aides	167,244	20,274	187,518	187,518	
Purchased Professional and Technical Services	18,500	5,000	23,500	21,635	1,865
Cleaning, Repair and Maintenance Services	166,696	(5,868)	160,828	157,298	3,530
Rental of Land and Bldg. Other than Lease Purchase Agreement	79,000	(10,500)	68,500	61,630	6,870
Other Purchased Property Services	180,968		180,968	160,211	20,757
Insurance	64,016		64,016	64,016	
General Supplies	163,000	33,997	196,997	193,428	3,569
Energy (Natural Gas)	491,305		491,305	423,153	68,152
Energy (Electricity)	1,013,014	(9,875)	1,003,139	562,289	440,850
Energy (Oil)	9,200		9,200	3,042	6,158
Total Undist. Expend. - Custodial Services	<u>4,603,008</u>	<u>23,003</u>	<u>4,626,011</u>	<u>4,071,821</u>	<u>554,190</u>
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	469,186	20,607	489,793	489,470	323
Cleaning, Repair, and Maintenance Services	181,277	(15,958)	165,319	117,031	48,288
General Supplies	70,529	959	71,488	68,841	2,647
Total Undist. Expend. - Care and Upkeep of Grounds	<u>720,992</u>	<u>5,608</u>	<u>726,600</u>	<u>675,342</u>	<u>51,258</u>
Undist. Expend. - Security:					
Salaries	214,808	(2,753)	212,055	212,055	
Purchased Professional and Technical Services	3,500	(3,500)			
Cleaning, Repair, and Maintenance Services	2,500		2,500	2,174	326
General Supplies	34,764	23,500	58,264	47,819	10,445
Total Undist. Expend. - Security	<u>255,572</u>	<u>17,247</u>	<u>272,819</u>	<u>262,048</u>	<u>10,771</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation (Bet. Home & Sch) - Reg	\$ 1,901,162	\$ 2,398	\$ 1,903,560	\$ 1,903,560	
Salaries for Pupil Transportation (Other than Bet. Home & Sch)	261,391	46,751	308,142	306,256	\$ 1,886
Other Purchased Professional and Technical Services	48,566	(700)	47,866	42,269	5,597
Cleaning, Repair and Maintenance Services	35,800		35,800	138	35,662
Contract Services - (Bet. Home and School) - Joint Agreements	1,431,699	1	1,431,700	1,255,971	175,729
Contract Services - (Regular Students) - ESCs & CTSA's	124,000	(3,000)	121,000	118,067	2,933
Contract Services - (Other than Bet. Home & School) - Vendors		3,864	3,864	3,725	139
Miscellaneous Purchased Services	82,234	621	82,855	82,660	195
General Supplies	493,641	(12,910)	480,731	341,198	139,533
Misc. Expenditures	11,800		11,800	8,840	2,960
Total Undist. Expend. - Student Transportation Services	<u>4,390,293</u>	<u>37,025</u>	<u>4,427,318</u>	<u>4,062,684</u>	<u>364,634</u>
Unallocated Benefits:					
Social Security Contributions	1,232,220	(8,173)	1,224,047	1,155,200	68,847
Other Retirement Contributions - PERS	1,445,493	(268,926)	1,176,567	1,157,701	18,866
Unemployment Compensation	180,117	444	180,561	180,561	
Workmen's Compensation	418,308	(4,444)	413,864	413,137	727
Health Benefits	11,636,160	(452,041)	11,184,119	11,166,795	17,324
Tuition Reimbursement	152,000	20,000	172,000	164,211	7,789
Other Employee Benefits	192,923	134,429	327,352	299,861	27,491
Total Unallocated Benefits	<u>15,257,221</u>	<u>(578,711)</u>	<u>14,678,510</u>	<u>14,537,466</u>	<u>141,044</u>
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,948,383	(1,948,383)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				3,093,058	(3,093,058)
TPAF Social Security (Reimbursed - Non-Budgeted)				2,617,787	(2,617,787)
Total On-Behalf Contributions				<u>7,659,228</u>	<u>(7,659,228)</u>
Total Personal Services - Employee Benefits	<u>15,257,221</u>	<u>(578,711)</u>	<u>14,678,510</u>	<u>22,196,694</u>	<u>(7,518,184)</u>
Total Undistributed Expenditures	<u>46,289,103</u>	<u>(582,775)</u>	<u>45,706,328</u>	<u>51,157,818</u>	<u>(5,451,490)</u>
Total Current Expense	<u>81,630,123</u>	<u>(336,083)</u>	<u>81,294,040</u>	<u>86,278,639</u>	<u>(4,984,599)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Instruction	\$ 21,770	\$ 40,808	\$ 62,578	\$ 62,578	
Support Services - Related and Extra.		6,483	6,483	2,429	\$ 4,054
Support Services - Inst. Staff	56,715	55,604	112,319	112,319	
General Administration		6,219	6,219	6,219	
Administration Info. Tech.		185,985	185,985	35,985	150,000
Required Maint. of Plant Serv.	84,713	19,523	104,236	101,218	3,018
Security	5,329		5,329	5,329	
Student Trans. - Non-Inst. Equipment	11,880	4,304	16,184	3,691	12,493
School Buses - Regular	39,270	(4,304)	34,966	34,016	950
Total Equipment	<u>219,677</u>	<u>314,622</u>	<u>534,299</u>	<u>363,784</u>	<u>170,515</u>
Facilities Acquisition and Construction Services:					
Construction Services	635,600		635,600	620,341	15,259
Assessment for Debt Service on SDA Funding	64,430		64,430	64,340	90
Total Facilities Acquisition and Construction Services	<u>700,030</u>		<u>700,030</u>	<u>684,681</u>	<u>15,349</u>
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Student Transportation-School Buses				163,226	(163,226)
Assets Acquired Under Capital Leases (non-budgeted)				<u>163,226</u>	<u>(163,226)</u>
Total Capital Outlay	<u>919,707</u>	<u>314,622</u>	<u>1,234,329</u>	<u>1,211,691</u>	<u>22,638</u>
Transfer of Funds to Charter Schools	56,617	21,461	78,078	78,078	
Total Expenditures	<u>82,606,447</u>		<u>82,606,447</u>	<u>87,568,408</u>	<u>(4,961,961)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ (481,262)		\$ (481,262)	\$ 2,604,153	\$ 3,085,415
Other Financing Source/(Uses):					
Operating Transfer In					
Transfer from Capital Projects Fund - Unexpended Balances				13,831	13,831
Operating Transfer Out:					
Transfer of Capital Reserve to Capital Projects Fund				(1,200,300)	(1,200,300)
Transfer of Capital Outlay to Capital Projects Fund	(1,191,654)		(1,191,654)	(1,191,654)	
Capital Leases (non-budgeted)				163,226	163,226
Total Other Financing Sources/(Uses)	(1,191,654)		(1,191,654)	(2,214,897)	(1,023,243)
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	(1,672,916)		(1,672,916)	389,256	2,062,172
Fund Balance, July 1 (Restated)	5,212,649		5,212,649	5,212,649	
Fund Balance, June 30	\$ 3,539,733	\$ -0-	\$ 3,539,733	\$ 5,601,905	\$ 2,062,172
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,270,615	
Emergency Reserve				350,000	
Excess Surplus				687,238	
Assigned:					
Year End Encumbrances				694,142	
Designated for Subsequent Year's Expenditures				794,774	
Unassigned				1,805,136	
				5,601,905	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payments not recognized on GAAP basis				(1,267,530)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,334,375	

Exhibit C-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
State Sources	\$ 125,799	\$ (4,535)	\$ 121,264	\$ 112,625	\$ (8,639)
Federal Sources	1,027,901	242,321	1,270,222	1,268,967	(1,255)
Local Sources	86,539	47,758	134,297	92,526	(41,771)
Total Revenue	<u>1,240,239</u>	<u>285,544</u>	<u>1,525,783</u>	<u>1,474,118</u>	<u>(51,665)</u>
Expenditures:					
Instruction:					
Salaries of Teachers	61,547	25,073	86,620	86,620	
Purchased Professional/ Technical Services		3,521	3,521	2,396	1,125
Other Purchased Services	858,870	54,293	913,163	913,163	
General Supplies	86,539	52,360	138,899	116,395	22,504
Textbooks		10,904	10,904	10,904	
Total Instruction	<u>1,006,956</u>	<u>146,151</u>	<u>1,153,107</u>	<u>1,129,478</u>	<u>23,629</u>
Support Services:					
Purchased Professional and Educational Services	125,799	(10,999)	114,800	95,865	18,935
Purchased Professional and Technical Services	90,318	105,486	195,804	191,528	4,276
Personal Services - Employee Benefits	8,963	1,869	10,832	10,832	
Other Purchased Professional Services		18,502	18,502	16,502	2,000
Supplies and Materials	8,203	17,283	25,486	23,952	1,534
Other Objects		5,536	5,536	5,536	
Total Support Services	<u>233,283</u>	<u>137,677</u>	<u>370,960</u>	<u>344,215</u>	<u>26,745</u>
Facilities Acquisition:					
Non Instructional Equipment		1,716	1,716	425	1,291
Total Facilities Acquisition		<u>1,716</u>	<u>1,716</u>	<u>425</u>	<u>1,291</u>
Total Expenditures	<u>1,240,239</u>	<u>285,544</u>	<u>1,525,783</u>	<u>1,474,118</u>	<u>51,665</u>
Excess (Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 90,172,561	\$ 1,474,118
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		6,454
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,249,239	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,267,530)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 90,154,270	\$ 1,480,572
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 87,568,408	\$ 1,474,118
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		6,454
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 87,568,408	\$ 1,480,572

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be made by school Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NCLB				IDEA Part B, Basic Regular
	Title I 2014-15	Title IIA 2014-15	Title III 2014-15	Title III Immigrant 2014-15	2014-15
REVENUE:					
State Sources					
Federal Sources	\$ 109,177	\$ 92,820	\$ 15,606	\$ 27,451	\$ 980,905
Local Sources					
Total Revenue	<u>109,177</u>	<u>92,820</u>	<u>15,606</u>	<u>27,451</u>	<u>980,905</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	61,547			24,435	
Purchased Professional/Technical Services					870,155
Other Purchased Services					13,258
General Supplies	24,700		270	491	
Textbooks					
Total Instruction	<u>86,247</u>		<u>270</u>	<u>24,926</u>	<u>883,413</u>
Support Services:					
Purchased Professional/Educational Services					
Purchased Professional/Technical Services		92,500	15,000		70,172
Personal Services - Employee Benefits	8,963			1,869	
Other Purchased Professional Services	3,400		336		12,766
Supplies and Materials	5,687	320			14,554
Other Objects	4,880			656	
Total Support Services	<u>22,930</u>	<u>92,820</u>	<u>15,336</u>	<u>2,525</u>	<u>97,492</u>
Facilities Acquisition:					
Non Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 109,177</u>	<u>\$ 92,820</u>	<u>\$ 15,606</u>	<u>\$ 27,451</u>	<u>\$ 980,905</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	IDEA Part B, Preschool 2014-15	Chapter 192		Non-Public		
		Compensatory Education	ESL	Examination/ Classification	Chapter 193 Corrective Speech	Supplemental Instruction
REVENUE:						
State Sources		\$ 14,333	\$ 913	\$ 23,237	\$ 18,289	\$ 21,736
Federal Sources	\$ 43,008					
Local Sources						
Total Revenue	43,008	14,333	913	23,237	18,289	21,736
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional/Technical Services						
Other Purchased Services	43,008					
General Supplies						
Textbooks						
Total Instruction	43,008					
Support Services:						
Purchased Professional/Educational Services		14,333	913	23,237	18,289	21,736
Purchased Professional/Technical Services						
Personal Services - Employee Benefits						
Other Purchased Professional Services						
Supplies and Materials						
Other Objects						
Total Support Services		14,333	913	23,237	18,289	21,736
Facilities Acquisition:						
Non Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 43,008	\$ 14,333	\$ 913	\$ 23,237	\$ 18,289	\$ 21,736

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Non-Public Technology	Non-Public Textbooks	Non-Public Nursing	Various Local Grants	Totals June 30, 2015
REVENUE:					
State Sources	\$ 5,856	\$ 10,904	\$ 17,357		\$ 112,625
Federal Sources					1,268,967
Local Sources				\$ 92,526	92,526
Total Revenue	<u>5,856</u>	<u>10,904</u>	<u>17,357</u>	<u>92,526</u>	<u>1,474,118</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers				638	86,620
Purchased Professional/Technical Services				2,396	2,396
Other Purchased Services					913,163
General Supplies				77,676	116,395
Textbooks		10,904			10,904
Total Instruction		<u>10,904</u>		<u>80,710</u>	<u>1,129,478</u>
Support Services:					
Purchased Professional/Educational Services			17,357		95,865
Purchased Professional/Technical Services	5,856			8,000	191,528
Personal Services - Employee Benefits					10,832
Other Purchased Professional Services					16,502
Supplies and Materials				3,391	23,952
Other Objects					5,536
Total Support Services	<u>5,856</u>		<u>17,357</u>	<u>11,391</u>	<u>344,215</u>
Facilities Acquisition:					
Non Instructional Equipment				425	425
Total Facilities Acquisition				<u>425</u>	<u>425</u>
Total Expenditures	<u>\$ 5,856</u>	<u>\$ 10,904</u>	<u>\$ 17,357</u>	<u>\$ 92,526</u>	<u>\$ 1,474,118</u>

CAPITAL PROJECTS FUND

Exhibit F-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 1,832,204
Transfer from capital reserve	1,200,300
Transfer from capital outlay	<u>1,191,654</u>
Total revenue and other financing sources	<u>4,224,158</u>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	203,610
Construction Services	2,476,507
Operating Transfer Out - General Fund - Unexpended Balances	13,831
Operating Transfer Out - Debt Service Fund - Unexpended Balances	7,148
Cancellation of Retroactive SDA Grant Projects to Debt Service Fund	<u>150,568</u>
Total expenditures and other financing uses	<u>2,851,664</u>
Excess/(deficit) of other financing sources over/(under) expenditures and other financing uses	1,372,494
Fund balance - beginning of year (Restated)	<u>1,261,248</u>
Fund balance - end of year	<u><u>\$ 2,633,742</u></u>
Recapitulation:	
Restricted	\$ 621,215
Committed	2,013,427
Temporary Deficit - Bonds Authorized but not Issued	<u>(900)</u>
	2,633,742
Reconciliation to Governmental Fund Statements (GAAP):	
SDA grant receivable not recognized on GAAP basis	<u>(1,558,328)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 1,075,414</u></u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCT ADDITIONS, RENOVATIONS AND ALTERATIONS AT RANDOLPH HIGH SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 4,934,397		\$ 4,934,397	\$ 4,934,397
Bond proceeds and transfers	15,435,298		15,435,298	15,435,298
Total revenue and other financing sources	20,369,695		20,369,695	20,369,695
Expenditures and Other Financing Uses:				
Purchased professional and technical services	2,042,611		2,042,611	2,048,092
Construction services	18,060,675		18,060,675	18,055,194
Equipment	214,857		214,857	214,857
Miscellaneous costs	44,404		44,404	44,404
Transfer to Debt Service Fund		\$ 7,148	7,148	7,148
Total expenditures and other financing uses	20,362,547	7,148	20,369,695	20,369,695
Excess/(deficit) of revenue and other financing sources over/(under) expenditures and other financing uses	\$ 7,148	\$ (7,148)	\$ -0-	\$ -0-

Additional project information:

Project Number	4330-050-04-1000
Grant Date	8/26/2004
Bond Authorization Date	12/14/2004
Bonds Authorized	\$14,862,111
Bonds Issued	14,862,111
Original Authorized Cost	19,796,508
Revised Authorized Cost	20,369,695

Percentage Increase over Original

Authorized Cost	3%
Percentage Completion	100%
Original target completion date	9/1/2007
Revised target completion date	6/30/2012

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FERNBROOK ELEMENTARY SCHOOL - FIRE ALARM UPGRADE AND FLOOR REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 17,346		\$ 17,346	\$ 17,346
Transfer from capital outlay	27,285		27,285	27,285
Total revenue and other financing sources	44,631		44,631	44,631
Expenditures and Other Financing Uses:				
Facilities acquisition and construction services	19,736		19,736	19,736
Supplies and Materials	23,629		23,629	23,629
Transfer to General Fund		\$ 1,266	1,266	1,266
Total expenditures and other financing uses	43,365	1,266	44,631	44,631
Excess/(deficit) of revenue and other financing sources over/(under) expenditures and other financing uses	<u>\$ 1,266</u>	<u>\$ (1,266)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional project information:

Project Number	4330-065-09-1003
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 45,475
Revised Authorized Cost	44,631
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
IRONIA ELEMENTARY SCHOOL - LIGHTING AND CEILING REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 2,427		\$ 2,427	\$ 2,427
Transfer from capital outlay	10,847		10,847	10,847
Total revenue and other financing sources	13,274		13,274	13,274
Expenditures and Other Financing Uses:				
Facilities acquisition and construction services	2,552		2,552	2,552
Supplies and Materials	3,516		3,516	3,516
Transfer to General Fund		\$ 7,206	7,206	7,206
Total expenditures and other financing uses	6,068	7,206	13,274	13,274
Excess/(deficit) of revenue and other financing sources over/(under) expenditures and other financing uses	\$ 7,206	\$ (7,206)	\$ -0-	\$ -0-

Additional project information:

Project Number	4330-070-09-1002
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 18,078
Revised Authorized Cost	13,274
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH MIDDLE SCHOOL - WINDOW REPAIRS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 19,649		\$ 19,649	\$ 19,649
Transfer from capital outlay	31,068		31,068	31,068
Total revenue and other financing sources	50,717		50,717	50,717
Expenditures and Other Financing Uses:				
Purchased professional and technical services	4,674		4,674	4,674
Facilities acquisition and construction services	12,700		12,700	12,700
Supplies and Materials	31,750		31,750	31,750
Transfer to General Fund		\$ 1,593	1,593	1,593
Total expenditures and other financing uses	49,124	1,593	50,717	50,717
Excess/(deficit) of revenue and other financing sources over/(under) expenditures and other financing uses	\$ 1,593	\$ (1,593)	\$ -0-	\$ -0-

Additional project information:

Project Number	4330-075-09-1004
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 51,780
Revised Authorized Cost	50,717
Percentage Increase over Original Authorized Cost	N/A
Original target completion date	6/30/2010
Revised target completion date	6/30/2012
Percentage Completion	100%

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH MIDDLE SCHOOL - REHABILITATION - BARRIER FREE UPGRADES TO TOILETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 3,191		\$ 3,191	\$ 3,191
Transfer from capital outlay	8,551		8,551	8,551
Total revenue and other financing sources	11,742		11,742	11,742
Expenditures and Other Financing Uses:				
Facilities acquisition and construction services	5,661		5,661	5,661
Supplies and Materials	2,315		2,315	2,315
Transfer to General Fund		\$ 3,766	3,766	3,766
Total expenditures and other financing uses	7,976	3,766	11,742	11,742
Excess/(deficit) of revenue and other financing sources over/(under) expenditures and other financing uses	<u>\$ 3,766</u>	<u>\$ (3,766)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional project information:

Project Number	4330-050-09-1001
Grant Date	7/26/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 14,252
Revised Authorized Cost	11,742
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original target completion date	6/30/2010
Revised target completion date	6/30/2012

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS SCHOOL BUILDING IMPROVEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods (Restated)	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
Bond proceeds	\$ 11,667,000		\$ 11,667,000	\$ 11,667,900
Total revenue and other financing sources	11,667,000		11,667,000	11,667,900
Expenditures:				
Purchased professional and technical services	836,632		836,632	808,691
Construction services	10,210,053		10,210,053	10,859,209
Total expenditures	11,046,685		11,046,685	11,667,900
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ 620,315	\$ -0-	\$ 620,315	\$ -0-
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	2/8/12			
Bonds Authorized	\$ 11,667,900			
Bonds Issued	11,667,000			
Original Authorized Cost	11,667,900			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	95%			
Original target completion date	11/30/2013			
Revised target completion date	6/30/2015			

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FERNBROOK ELEMENTARY SCHOOL - ROOF AND WINDOW REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - ROD Grant		\$ 342,344	\$ 342,344	\$ 417,700
Transfer from capital reserve	\$ 469,386		469,386	469,386
Transfer from capital outlay		85,183	85,183	157,164
Total revenue and other financing sources	<u>469,386</u>	<u>427,527</u>	<u>896,913</u>	<u>1,044,250</u>
Expenditures:				
Purchased professional and technical services		74,810	74,810	200,000
Facilities acquisition and construction services		780,896	780,896	844,250
Total expenditures		<u>855,706</u>	<u>855,706</u>	<u>1,044,250</u>
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	<u>\$ 469,386</u>	<u>\$ (428,179)</u>	<u>\$ 41,207</u>	<u>\$ -0-</u>

Additional project information:

Project Number	4330-065-14-1003
Grant Date	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,044,250
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	82%
Original target completion date	12/31/2014
Revised target completion date	8/31/2015

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH HIGH SCHOOL - NEW LOBBY AND ROOF AND WINDOW REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - ROD Grant		\$ 689,660	\$ 689,660	\$ 689,660
Transfer from capital outlay		1,106,471	1,106,471	1,106,471
Total revenue and other financing sources		1,796,131	1,796,131	1,796,131
Expenditures:				
Purchased professional and technical services		128,800	128,800	150,000
Facilities acquisition and construction services		1,651,511	1,651,511	1,646,131
Total expenditures		1,780,311	1,780,311	1,796,131
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ -0-	\$ 15,820	\$ 15,820	\$ -0-

Additional project information:

Project Number	4330-050-14-1001
Grant Date	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,724,150
Revised Authorized Cost	1,796,131
Percentage Increase over Original Authorized Cost	4%
Percentage Completion	99%
Original target completion date	12/31/2014
Revised target completion date	9/30/2015

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RANDOLPH MIDDLE SCHOOL - ROOF REFURBISHMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - ROD Grant		\$ 259,800	\$ 259,800	\$ 259,800
Transfer from capital reserve		389,700	389,700	389,700
Total revenue and other financing sources		649,500	649,500	649,500
Expenditures:				
Facilities acquisition and construction services		17,640	17,640	649,500
Total expenditures		17,640	17,640	649,500
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ -0-	\$ 631,860	\$ 631,860	\$ -0-

Additional project information:

Project Number	4330-075-14-1005
Grant Date	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 649,500
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	3%
Original target completion date	10/31/2015
Revised target completion date	10/31/2015

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SHONGUM ELEMENTARY SCHOOL - ROOF AND WINDOW REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - ROD Grant		\$ 540,400	\$ 540,400	\$ 540,400
Transfer from capital reserve		810,600	810,600	810,600
Total revenue and other financing sources		1,351,000	1,351,000	1,351,000
Expenditures:				
Facilities acquisition and construction services		26,460	26,460	1,351,000
Total expenditures		26,460	26,460	1,351,000
Excess/(deficit) of revenue and other financing sources over/(under) expenditures	\$ -0-	\$ 1,324,540	\$ 1,324,540	\$ -0-

Additional project information:

Project Number	4330-080-14-1006
Grant Date	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,351,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	2%
Original target completion date	3/31/2016
Revised target completion date	3/31/2016

PROPRIETARY FUNDS

Exhibit G-1

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Major Funds		Total
	Community School	Food Service	
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ 515,998		\$ 515,998
Accounts receivable:			
State		\$ 605	605
Federal		14,243	14,243
Other			
Interfund receivable	19,146		19,146
Prepaid Expenses	18,785		18,785
Inventories		8,011	8,011
Total current assets	<u>553,929</u>	<u>22,859</u>	<u>576,788</u>
Non-current assets:			
Machinery and Equipment		634,387	634,387
Accumulated depreciation		(451,503)	(451,503)
Total non-current assets		<u>182,884</u>	<u>182,884</u>
Total assets	<u>553,929</u>	<u>205,743</u>	<u>759,672</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Accounts payable - Vendors	957		957
Interfund payable		135,907	135,907
Unearned revenue	272,545	56,633	329,178
Long-term liabilities:			
Compensated absences payable		11,573	11,573
Total Liabilities	<u>273,502</u>	<u>204,113</u>	<u>477,615</u>
<u>NET POSITION:</u>			
Net Investment in capital assets		182,884	182,884
Unrestricted/(Deficit)	<u>280,427</u>	<u>(181,254)</u>	<u>99,173</u>
Total net position	<u>\$ 280,427</u>	<u>\$ 1,630</u>	<u>\$ 282,057</u>

Exhibit G-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Funds		Total
	Community School	Food Service	
Operating revenue:			
Local sources:			
Daily sales - reimbursable programs:			
School lunch program		\$ 242,305	\$ 242,305
Daily sales - non-reimbursable programs		641,014	641,014
Special functions			
Community School - regular programs	\$ 1,375,035		1,375,035
Community School - summer programs	168,145		168,145
Total operating revenue	1,543,180	883,319	2,426,499
Operating expenses:			
Cost of sales		577,828	577,828
Salaries	940,881	364,014	1,304,895
Employee benefits	165,303	97,162	262,465
Purchased professional/technical services	37,790	13,273	51,063
Other purchased services	92,724		92,724
Supplies and materials	70,992	960	71,952
Miscellaneous	28,519	41,150	69,669
Depreciation	10,295	20,299	30,594
Total operating expenses	1,346,504	1,114,686	2,461,190
Operating income/(loss)	196,676	(231,367)	(34,691)
Non-operating revenue:			
State sources:			
State school lunch program		8,394	8,394
Federal sources:			
National school lunch program		189,292	189,292
Food distribution program		34,885	34,885
Local sources:			
Interest income	1,026	426	1,452
Total non-operating revenue	1,026	232,997	234,023
Change in net position before special item	197,702	1,630	199,332
Special Item - Loss on Disposal of Equipment	(14,198)		(14,198)
Change in net position	183,504	1,630	185,134
Net position - beginning of year	96,923		96,923
Net position - end of year	\$ 280,427	\$ 1,630	\$ 282,057

Exhibit G-3

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Funds		Total
	Community School	Food Service	
Cash flows from operating activities:			
Receipts from customers	\$ 1,502,450	\$ 896,622	\$ 2,399,072
Payments to employees	(1,106,184)	(475,499)	(1,581,683)
Payments to suppliers	(229,816)	(668,211)	(898,027)
Net cash provided by / (used for) operating activities	<u>166,450</u>	<u>(247,088)</u>	<u>(80,638)</u>
Cash flows from investing activities:			
Interest income	<u>1,026</u>	<u>426</u>	<u>1,452</u>
Net cash provided by investing activities	<u>1,026</u>	<u>426</u>	<u>1,452</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	<u></u>	<u>(9,647)</u>	<u>(9,647)</u>
Net cash used for capital and related financing activities	<u></u>	<u>(9,647)</u>	<u>(9,647)</u>
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	<u></u>	<u>197,812</u>	<u>197,812</u>
Cash (paid to)/received from General Fund	<u>(5,448)</u>	<u>58,497</u>	<u>53,049</u>
Net cash provided by / (used for) noncapital financing activities	<u>(5,448)</u>	<u>256,309</u>	<u>250,861</u>
Net increase in cash and cash equivalents	<u>162,028</u>	<u></u>	<u>162,028</u>
Cash and cash equivalents, July 1	<u>353,970</u>	<u></u>	<u>353,970</u>
Cash and cash equivalents, June 30	<u>\$ 515,998</u>	<u>\$ -0-</u>	<u>\$ 515,998</u>
Reconciliation of operating income/(loss) to net cash provided by / (used for) operating activities:			
Operating income/(loss)	\$ 196,676	\$ (231,367)	\$ (34,691)
Adjustment to reconcile operating income/(loss) to cash provided by / (used for) operating activities:			
Depreciation	10,295	20,299	30,594
Federal food distribution program		34,885	34,885
Changes in assets and liabilities:			
Decrease in inventory		2,774	2,774
(Increase) in prepaid expenses	(748)		(748)
Increase/(decrease) in accounts payable	957	(72,659)	(71,702)
Increase/(decrease) in unearned revenue	(40,730)	13,303	(27,427)
(Decrease) in compensated absences payable	<u></u>	<u>(14,323)</u>	<u>(14,323)</u>
Net cash provided by / (used for) operating activities	<u>\$ 166,450</u>	<u>\$ (247,088)</u>	<u>\$ (80,638)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$34,432 and utilized \$34,885 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2015.

FIDUCIARY FUNDS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Student Activities</u>	<u>Agency Payroll</u>	<u>Total Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>					
Cash and cash equivalents	\$ 270,731	\$ 491,821	\$ 762,552	\$ 45,239	\$ 7,654
Total assets	<u>270,731</u>	<u>491,821</u>	<u>762,552</u>	<u>45,239</u>	<u>7,654</u>
<u>LIABILITIES:</u>					
Payroll deductions and withholdings		491,821	491,821		
Due to student groups	<u>270,731</u>		<u>270,731</u>		
Total liabilities	<u>270,731</u>	<u>491,821</u>	<u>762,552</u>		
<u>NET POSITION:</u>					
Held in Trust for:					
Scholarships				45,239	
Flexible Spending Claims					<u>7,654</u>
Total net position	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 45,239</u>	<u>\$ 7,654</u>

Exhibit H-2

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Private Purpose Scholarship Trust	Flexible Spending Trust
Additions:		
Contributions:		
Donations	\$ 21,655	
Plan member/Employer		\$ 81,849
Total Contributions	21,655	81,849
Investment earnings:		
Interest	68	
Total Additions	21,723	81,849
Deductions:		
Scholarships awarded	14,991	
Flexible Spending Claims		78,429
Total Deductions	14,991	78,429
Change in net position	6,732	3,420
Net position—beginning of the year	38,507	4,234
Net position—end of the year	\$ 45,239	\$ 7,654

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 253,017	\$ 841,624	\$ 823,910	\$ 270,731
Total assets	<u>\$ 253,017</u>	<u>\$ 841,624</u>	<u>\$ 823,910</u>	<u>\$ 270,731</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to student groups	\$ 253,017	\$ 841,624	\$ 823,910	\$ 270,731
Total liabilities	<u>\$ 253,017</u>	<u>\$ 841,624</u>	<u>\$ 823,910</u>	<u>\$ 270,731</u>

Exhibit H-4

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary schools:				
Center Grove	\$ 3,471	\$ 23,513	\$ 24,482	\$ 2,502
Fernbrook	3,452	25,074	24,713	3,813
Ironia	4,132	25,872	24,296	5,708
Shongum	8,152	29,258	29,220	8,190
Total Elementary schools	<u>19,207</u>	<u>103,717</u>	<u>102,711</u>	<u>20,213</u>
Middle school:				
Randolph Middle School	<u>54,594</u>	<u>190,564</u>	<u>192,881</u>	<u>52,277</u>
High school:				
Randolph High School	<u>160,146</u>	<u>436,719</u>	<u>406,781</u>	<u>190,084</u>
Athletic Account:				
Athletics	<u>19,070</u>	<u>110,624</u>	<u>121,537</u>	<u>8,157</u>
Total All Schools	<u>\$ 253,017</u>	<u>\$ 841,624</u>	<u>\$ 823,910</u>	<u>\$ 270,731</u>

Exhibit H-5

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 122,201	\$ 57,667,334	57,297,714	\$ 491,821
Total assets	<u>\$ 122,201</u>	<u>\$ 57,667,334</u>	<u>\$ 57,297,714</u>	<u>\$ 491,821</u>
 <u>LIABILITIES:</u>				
Payroll deductions and withholdings	\$ 122,201	\$ 57,667,334	\$ 57,297,714	\$ 491,821
Total liabilities	<u>\$ 122,201</u>	<u>\$ 57,667,334</u>	<u>\$ 57,297,714</u>	<u>\$ 491,821</u>

LONG-TERM DEBT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance July 1, 2014	Issued	Matured/ Defeased	Balance June 30, 2015
			June 30, 2015						
			Date	Amount					
Addition and Renovation to Randolph High School, Renovations to the Middle School and Elementary Schools	02/01/2005	\$ 17,812,000				\$ 880,000		\$ 880,000	
Advance Refunding of School Bonds	03/01/2005	16,800,000	08/01/2015	\$ 1,710,000	5.00%	9,595,000		7,885,000	\$ 1,710,000
Various School Building Improvements	02/08/2012	11,667,000	02/01/2016	425,000	2.000%	11,030,000		380,000	10,650,000
			02/01/2017	450,000	2.000%				
			02/01/2018	475,000	2.000%				
			02/01/2019	500,000	2.000%				
			02/01/2020	700,000	2.000%				
			02/01/2021	825,000	2.000%				
			02/01/2022	825,000	2.125%				
			02/01/2023	825,000	2.250%				
			02/01/2024	825,000	2.375%				
			02/01/2025	825,000	2.375%				
			02/01/2026	975,000	2.500%				
			02/01/2027	1,000,000	3.000%				
02/01/2028	1,000,000	3.000%							
02/01/2029	1,000,000	4.000%							

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Int. Rate	Balance July 1, 2014	Issued	Matured/Defeased	Balance June 30, 2015
			June 30, 2015						
			Date	Amount					
Advance Refunding of School Bonds	01/23/2013	\$ 10,425,000	02/01/2016	\$ 880,000	3.000%	\$ 10,425,000			\$ 10,425,000
			02/01/2017	910,000	3.000%				
			02/01/2018	940,000	3.000%				
			02/01/2019	965,000	4.000%				
			02/01/2020	1,005,000	4.000%				
			02/01/2021	1,045,000	4.000%				
			02/01/2022	1,090,000	5.000%				
			02/01/2023	1,145,000	5.000%				
			02/01/2024	1,210,000	4.000%				
			02/01/2025	1,235,000	4.000%				
Advance Refunding of 2005 School Bonds	05/27/2015	6,230,000	08/01/2015	155,000	0.400%		\$ 6,230,000		6,230,000
			08/01/2016	1,760,000	2.000%				
			08/01/2017	1,750,000	3.000%				
			08/01/2018	1,765,000	3.250%				
			08/01/2019	800,000	1.500%				
<u>\$ 31,930,000</u>						<u>\$ 6,230,000</u>	<u>\$ 9,145,000</u>	<u>\$ 29,015,000</u>	
								Bonds Matured	\$ 2,940,000
								Bonds Defeased	<u>6,205,000</u>
									<u>\$ 9,145,000</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2015</u>
Technology Equipment	4.41%	\$ 453,124	\$ 358,694		\$ 86,898	\$ 271,796
Buses	2.10%	163,226		\$ 163,226	34,016	129,210
			<u>\$ 358,694</u>	<u>\$ 163,226</u>	<u>\$ 120,914</u>	<u>\$ 401,006</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 3,780,553		\$ 3,780,553	\$ 3,780,553	
State Sources:					
Debt Service Aid Type II	274,653		274,653	274,653	
Total Revenue	4,055,206		4,055,206	4,055,206	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,115,206		1,115,206	1,115,206	
Redemption of Principal	2,940,000		2,940,000	2,940,000	
Total Regular Debt Service	4,055,206		4,055,206	4,055,206	
Total Expenditures	4,055,206		4,055,206	4,055,206	
Excess/(Deficiency) of Revenue Over/(Under) Expenditures					
Other Financing Sources/(Uses):					
School Refunding Bonds Issued				6,230,000	\$ 6,230,000
School Bonds Defeased				(6,205,000)	(6,205,000)
Bond Premium				213,367	213,367
Bond Issuance Costs				(102,707)	(102,707)
Deferred Bond Interest				(135,660)	(135,660)
Transfer in from Capital Projects Fund				157,716	157,716
Total Other Financing Sources/(Uses)				157,716	157,716
Excess/(Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses				157,716	157,716
Fund Balance, July 1	5,870	\$ -0-	5,870	5,870	-0-
Fund Balance, June 30	\$ 5,870	\$ -0-	\$ 5,870	\$ 163,586	157,716
Recapitulation:					
Restricted				\$ 163,586	

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities/(Deficit):										
Net Investment in Capital Assets	\$ 4,514,256	\$ 3,085,722	\$ 7,783,521	\$ 9,314,492	\$ 10,958,139	\$ 13,509,486	\$ 4,602,376	\$ 14,806,909	\$ 21,304,920	\$ 24,938,166
Restricted	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	171,548	11,569,771	5,180,874	2,337,580	3,091,754
Unrestricted	(1,118,476)	(819,195)	(951,380)	(2,610,228)	(2,090,023)	2,195,011	2,144,137	1,193,886	989,899	(25,495,859)
Total Governmental Activities Net Position	\$ 268,734	\$ 739,715	\$ 7,464,027	\$ 7,726,911	\$ 9,272,779	\$ 15,876,045	\$ 18,316,284	\$ 21,181,669	\$ 24,632,399	\$ 2,534,061
Business-Type Activities/(Deficit):										
Net Investment in Capital Assets	\$ 87,255	\$ 66,557	\$ 66,084	\$ 82,876	\$ 131,075	\$ 256,143	\$ 253,607	\$ 255,800	\$ 218,029	\$ 182,884
Unrestricted	148,441	77,366	9,949	(74,063)	(252,489)	(280,662)	(38,654)	(128,277)	(121,106)	99,173
Total Business-Type Activities Net Position	\$ 235,696	\$ 143,923	\$ 76,033	\$ 8,813	\$ (121,414)	\$ (24,519)	\$ 214,953	\$ 127,523	\$ 96,923	\$ 282,057
District-Wide/(Deficit):										
Net Investment in Capital Assets	\$ 4,601,511	\$ 3,152,279	\$ 7,849,605	\$ 9,397,368	\$ 11,089,214	\$ 13,765,629	\$ 4,855,983	\$ 15,062,709	\$ 21,522,949	\$ 25,121,050
Restricted	(3,127,046)	(1,526,812)	631,886	1,022,647	404,663	171,548	11,569,771	5,180,874	2,337,580	3,091,754
Unrestricted	(970,035)	(741,829)	(941,431)	(2,684,291)	(2,342,512)	1,914,349	2,105,483	1,065,609	868,793	(25,396,686)
Total District Net Position	\$ 504,430	\$ 883,638	\$ 7,540,060	\$ 7,735,724	\$ 9,151,365	\$ 15,851,526	\$ 18,531,237	\$ 21,309,192	\$ 24,729,322	\$ 2,816,118

*Restated

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST NINE FISCAL YEARS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities:										
Instruction	\$ 41,544,426	\$ 43,843,219	\$ 44,662,293	\$ 47,774,382	\$ 49,839,296	\$ 46,046,755	\$ 50,683,119	\$ 51,450,418	\$ 50,316,817	\$ 57,734,945
Support Services:										
Tuition	1,825,946	2,165,330	2,171,968	2,611,349	2,558,779	3,323,275	2,936,686	3,351,439	2,956,830	3,098,614
Student and Instruction Related Services	9,288,157	9,898,659	10,212,710	10,133,597	10,743,710	9,416,367	11,755,089	11,609,882	12,944,340	14,107,962
General Administrative Services	2,267,697	2,190,612	2,219,913	2,219,544	2,500,200	2,172,630	2,133,859	2,099,006	2,006,284	2,307,620
School Administrative Services	3,314,495	3,736,985	4,106,108	3,930,306	3,724,553	3,754,154	3,950,690	4,173,926	4,042,276	4,606,622
Plant Operations and Maintenance	7,058,641	6,749,269	7,078,896	6,683,231	7,283,583	7,062,793	7,662,951	7,812,140	8,498,204	8,711,530
Pupil Transportation	3,749,108	4,248,334	4,257,130	4,290,482	4,549,327	4,467,227	4,949,338	5,396,970	5,244,313	5,511,833
Central Services	1,686,455	1,649,652	1,794,866	1,230,464	1,645,451	2,077,475	2,190,233	2,407,754	2,805,224	1,750,958
Administrative Information Technology										1,642,192
Capital Outlay			414,787	199,918	75,444	80,615	46,882			
Charter Schools	122,269	95,621	67,052	46,907	48,347	30,752	65,270	79,867	77,337	78,078
Interest on Long-Term Debt	1,855,664	1,773,553	1,663,168	1,475,850	1,427,539	1,315,793	1,210,539	1,456,974	933,891	1,073,055
Unallocated Depreciation	30,064	31,586								
Total Governmental Activities Expenses	<u>72,742,922</u>	<u>76,382,820</u>	<u>78,648,891</u>	<u>80,596,030</u>	<u>84,396,229</u>	<u>79,747,836</u>	<u>87,584,656</u>	<u>89,838,376</u>	<u>89,825,516</u>	<u>100,623,409</u>
Business-Type Activities:										
Food Service	1,503,593	1,540,530	1,464,972	1,483,794	1,444,205	1,537,117	1,521,402	1,435,661	1,262,229	1,114,686
Community School	1,655,474	1,544,240	1,563,481	1,643,096	1,522,775	1,360,603	1,396,969	1,399,385	1,421,136	1,346,504
Total Business-Type Activities Expense	<u>3,159,067</u>	<u>3,084,770</u>	<u>3,028,453</u>	<u>3,126,890</u>	<u>2,966,980</u>	<u>2,897,720</u>	<u>2,918,371</u>	<u>2,835,046</u>	<u>2,683,365</u>	<u>2,461,190</u>
Total District Expenses	<u>75,901,989</u>	<u>79,467,590</u>	<u>81,677,344</u>	<u>83,722,920</u>	<u>87,363,209</u>	<u>82,645,556</u>	<u>90,503,027</u>	<u>92,673,422</u>	<u>92,508,881</u>	<u>103,084,599</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	26,416	15,829	23,022	43,055	85,362	23,314	157,684	146,116	93,274	115,096
Plant Operations and Maintenance										
Operating Grants and Contributions	17,137,880	19,634,054	20,122,333	19,588,071	22,655,873	18,978,032	21,681,395	23,065,711	22,070,185	31,352,818
Capital Grants and Contributions	218,111	140,904	6,325,089	404,810	41,091	1,522				273,876
Total Governmental Activities Program Revenues	<u>17,382,407</u>	<u>19,790,787</u>	<u>26,470,444</u>	<u>20,035,936</u>	<u>22,782,326</u>	<u>19,002,868</u>	<u>21,839,079</u>	<u>23,211,827</u>	<u>22,163,459</u>	<u>31,741,790</u>
Business-Type Activities:										
Charges for Services:										
Food Service	1,276,041	1,224,439	1,177,843	1,143,844	1,048,230	1,038,877	1,061,742	969,860	924,316	883,319
Community School	1,639,480	1,582,307	1,594,334	1,580,070	1,519,585	1,438,630	1,484,930	1,311,139	1,398,216	1,543,180
Operating Grants and Contributions	141,831	145,954	169,725	150,737	166,976	140,595	217,911	197,754	243,439	232,571
Total Business-Type Activities Program Revenues	<u>3,057,352</u>	<u>2,952,700</u>	<u>2,941,902</u>	<u>2,874,651</u>	<u>2,734,791</u>	<u>2,618,102</u>	<u>2,764,583</u>	<u>2,478,753</u>	<u>2,565,971</u>	<u>2,659,070</u>
Total District Program Revenues	<u>20,439,759</u>	<u>22,743,487</u>	<u>29,412,346</u>	<u>22,910,587</u>	<u>25,517,117</u>	<u>21,620,970</u>	<u>24,603,662</u>	<u>25,690,580</u>	<u>24,729,430</u>	<u>34,400,860</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST NINE FISCAL YEARS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue:										
Governmental Activities	\$ (55,360,515)	\$ (56,592,033)	\$ (52,178,447)	\$ (60,560,094)	\$ (61,613,903)	\$ (60,744,968)	\$ (65,745,577)	\$ (66,626,549)	\$ (67,662,057)	\$ (68,881,619)
Business-Type Activities	(101,715)	(132,070)	(86,551)	(252,239)	(232,189)	(279,618)	(153,788)	(356,293)	(117,394)	197,880
Total District-Wide Net Expense	<u>(55,462,230)</u>	<u>(56,724,103)</u>	<u>(52,264,998)</u>	<u>(60,812,333)</u>	<u>(61,846,092)</u>	<u>(61,024,586)</u>	<u>(65,899,365)</u>	<u>(66,982,842)</u>	<u>(67,779,451)</u>	<u>(68,683,739)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	50,960,065	52,784,496	54,895,876	57,091,711	59,375,379	63,239,577	64,504,368	65,794,455	67,110,344	68,452,559
Taxes Levied for Debt Service	3,110,870	3,622,250	3,733,731	3,744,312	3,646,025	3,804,598	3,806,736	3,800,473	3,773,292	3,780,553
Investment Earnings	890,392	598,960	100,997	28,945	13,959	6,599	47,147	25,764	13,699	11,435
Miscellaneous Income	316,964	57,308	172,155	136,773	224,408	297,460	319,424	34,209	289,378	301,757
Transfers				(178,763)	(100,000)		(250,126)	(162,967)	(73,926)	
Total Governmental Activities	<u>55,278,291</u>	<u>57,063,014</u>	<u>58,902,759</u>	<u>60,822,978</u>	<u>63,159,771</u>	<u>67,348,234</u>	<u>68,427,549</u>	<u>69,491,934</u>	<u>71,112,787</u>	<u>72,546,304</u>
Business-Type Activities:										
Investment Earnings	12,237	40,297	18,661	6,256	1,962	617	1,600	816	763	1,452
Transfers & Other Special Items				178,763	100,000	525,896	391,660	268,047	86,031	(14,198)
Total Business-Type Activities	<u>12,237</u>	<u>40,297</u>	<u>18,661</u>	<u>185,019</u>	<u>101,962</u>	<u>526,513</u>	<u>393,260</u>	<u>268,863</u>	<u>86,794</u>	<u>(12,746)</u>
Total District-Wide	<u>55,290,528</u>	<u>57,103,311</u>	<u>58,921,420</u>	<u>61,007,997</u>	<u>63,261,733</u>	<u>67,874,747</u>	<u>68,820,809</u>	<u>69,760,797</u>	<u>71,199,581</u>	<u>72,533,558</u>
Change in Net Position:										
Governmental Activities	(82,224)	470,981	6,724,312	262,884	1,545,868	6,603,266	2,681,972	2,865,385	3,450,730	3,664,685
Business-Type Activities	(89,478)	(91,773)	(67,890)	(67,220)	(130,227)	246,895	239,472	(87,430)	(30,600)	185,134
Total District	<u>\$ (171,702)</u>	<u>\$ 379,208</u>	<u>\$ 6,656,422</u>	<u>\$ 195,664</u>	<u>\$ 1,415,641</u>	<u>\$ 6,850,161</u>	<u>\$ 2,921,444</u>	<u>\$ 2,777,955</u>	<u>\$ 3,420,130</u>	<u>\$ 3,849,819</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014 (Restated)	2015
General Fund:										
Restricted/Reserved	\$ 1,425,068	\$ 826,251	\$ 138,933	\$ 95,194	\$ 230,833		\$ 525,000	\$ 895,000	\$ 1,817,247	\$ 2,307,853
Unreserved/(Deficit)	770,903	817,824	738,858	(270,427)	(165,693)					
Assigned						\$ 2,160,281	2,246,929	2,209,265	1,672,916	1,488,916
Unassigned						1,347,082	1,240,715	1,172,632	473,247	537,606
Total General Fund	\$ 2,195,971	\$ 1,644,075	\$ 877,791	\$ (175,233)	\$ 65,140	\$ 3,507,363	\$ 4,012,644	\$ 4,276,897	\$ 3,963,410	\$ 4,334,375
All Other Governmental Funds:										
Restricted/Reserved for:										
Capital Projects Fund	\$ 17,221,842	\$ 3,166,267	\$ 53,875	\$ 593,700		\$ 7,148	\$ 11,044,771	\$ 4,280,004	\$ 627,463	\$ 620,315
Debt Service Fund						1		5,870	5,870	163,586
Committed for:										
Capital Projects Fund						164,399	164,399	164,399	633,785	455,099
Unreserved, Reported In:										
Capital Projects Fund/(Deficit)	(4,713,800)	(5,556,773)	401,229	227,187	\$ 173,830					
Debt Service Fund	165,005	37,443	37,849	106,566						
Total All Other Governmental Funds	\$ 12,673,047	\$ (2,353,063)	\$ 492,953	\$ 927,453	\$ 173,830	\$ 171,548	\$ 11,209,170	\$ 4,450,273	\$ 1,267,118	\$ 1,239,000

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 54,070,935	\$ 56,406,746	\$ 58,629,607	\$ 60,836,023	\$ 63,021,404	\$ 67,044,175	\$ 68,311,104	\$ 69,594,928	\$ 70,883,636	\$ 72,233,112
Tuition Charges	26,416	15,829	23,022	43,055	85,362	23,314	157,684	146,116	93,274	115,096
Interest Earned on Capital Reserve Funds		25	17	29					2,725	3,668
Miscellaneous	1,230,385	703,279	305,593	210,102	329,034	409,248	398,551	256,365	385,640	416,128
State Sources	16,229,889	18,464,721	25,277,985	18,713,866	18,829,116	17,496,596	19,477,887	21,839,353	20,631,743	21,935,667
Federal Sources	1,103,073	1,263,201	1,136,979	1,234,602	3,777,181	1,377,769	2,171,528	1,167,365	1,353,154	1,260,253
Total Revenue	72,660,698	76,853,801	85,373,203	81,037,677	86,042,097	86,351,102	90,516,754	93,004,127	93,350,172	95,963,924
Expenditures:										
Instruction:										
Regular Instruction	24,112,997	24,911,995	25,186,760	28,281,416	27,449,984	26,597,621	27,012,498	28,012,692	26,657,433	26,959,447
Special Education Instruction	4,796,491	4,934,660	4,946,791	5,531,215	6,510,113	5,756,026	6,248,423	6,298,927	6,735,639	7,355,460
Other Special Instruction	1,055,035	992,071	897,530	702,569	698,217	671,541	616,479	608,576	521,113	447,351
Other Instruction	1,292,568	1,408,648	1,481,680	1,631,390	1,586,346	1,541,783	1,547,740	1,347,313	1,436,012	1,581,357
Support Services:										
Tuition	1,783,777	2,121,027	2,126,973	2,529,036	2,496,680	3,231,651	2,855,776	3,267,823	2,874,772	2,985,625
Student and Instruction Related Services	7,268,594	7,331,340	7,475,165	7,683,133	7,721,997	6,997,647	8,480,059	8,878,110	9,436,182	9,315,987
General Administrative Services	1,923,949	1,854,438	1,836,357	1,846,915	2,073,012	1,830,914	1,714,163	1,765,298	1,637,379	1,832,393
School Administrative Services	2,486,440	2,697,116	2,943,809	2,941,527	2,652,850	2,706,734	2,607,238	2,798,957	2,774,016	2,804,146
Plant Operations and Maintenance	5,919,754	5,595,077	5,707,597	5,610,151	5,948,755	5,701,673	6,020,953	6,293,030	6,694,656	6,269,627
Pupil Transportation	3,107,839	3,287,891	3,399,933	3,430,930	3,668,382	3,706,773	3,915,569	4,256,804	4,212,495	4,062,684
Central Services & Administrative IT	1,193,245	1,141,184	1,226,764	936,795	988,146	1,298,687	1,283,635	1,462,388	1,843,607	1,948,440
Unallocated Benefits	14,153,854	16,398,965	17,637,524	15,169,648	18,971,810	17,540,874	21,773,619	21,254,637	21,586,383	22,196,694
Charter Schools	122,269	95,621	67,052	46,907	48,347	30,752	65,270	79,867	77,337	78,078
Debt Service:										
Principal	1,585,000	2,235,000	2,330,000	2,455,000	2,615,000	2,755,000	2,880,000	2,732,000	2,825,000	2,940,000
Interest and Other Charges	1,816,645	1,795,323	1,686,730	1,504,083	1,451,975	1,341,416	1,221,580	1,355,929	1,229,321	1,115,206
Capital Outlay	6,474,262	16,730,049	4,889,544	2,181,767	2,355,743	1,525,576	2,147,723	8,923,453	6,684,667	3,891,808
Total Expenditures	79,092,719	93,530,405	83,840,209	82,482,482	87,237,357	83,234,668	90,390,725	99,335,804	97,226,012	95,784,303
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(6,432,021)	(16,676,604)	1,532,994	(1,444,805)	(1,195,260)	3,116,434	126,029	(6,331,677)	(3,875,840)	179,621

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Refunding Bonds Issued								\$ 10,425,000		\$ 6,230,000
School Bonds Defeased								(11,047,000)		(6,205,000)
Premium on Refunding Bonds								1,591,671		213,367
Costs of Refunding Bond Issue								(137,399)		(102,707)
Deferred Bond interest								(832,272)		(135,660)
Bond Proceeds							\$ 11,667,000			
Capital Leases (Non-Budgeted)		\$ 1,098,598	\$ 546,738	\$ 1,005,044	\$ 782,010	\$ 323,507			\$ 453,124	\$ 163,226
Transfers In	\$ 738,886	378,984	6,717	77,751				5,870	469,386	2,563,501
Transfers Out	(738,886)	(378,984)	(6,717)	(178,763)	(177,751)		(250,126)	(168,837)	(543,312)	(2,563,501)
Total Other Financing Sources (Uses)	<u>1,098,598</u>	<u>546,738</u>	<u>826,281</u>	<u>682,010</u>	<u>323,507</u>	<u>11,416,874</u>	<u>(162,967)</u>	<u>379,198</u>	<u>163,226</u>	
Net Change in Fund Balances	<u>\$ (6,432,021)</u>	<u>\$ (15,578,006)</u>	<u>\$ 2,079,732</u>	<u>\$ (618,524)</u>	<u>\$ (513,250)</u>	<u>\$ 3,439,941</u>	<u>\$ 11,542,903</u>	<u>\$ (6,494,644)</u>	<u>\$ (3,496,642)</u>	<u>\$ 342,847</u>
Debt Service as a Percentage of Noncapital Expenditure	4.91 %	5.54 %	5.36 %	5.19 %	5.03 %	5.28 %	4.87 %	4.74 %	4.69 %	4.62 %

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Athletic</u> <u>Participation Fees</u>	<u>Miscellaneous</u>	<u>Tuition</u>	<u>Total</u>
2006	\$ 151,506	\$ 58,885		\$ 258,079	\$ 26,416	\$ 494,886
2007	219,976	53,160		3,155	15,829	292,120
2008	98,874	87,573		84,582	23,022	294,051
2009	28,945	73,707		63,066	43,055	208,773
2010	13,959	68,944	\$ 81,700	73,764	85,362	323,729
2011	6,599	61,752	132,050	103,658	23,314	327,373
2012	47,147	56,721	136,192	126,511	157,684	524,255
2013	25,764	28,230		137,508	146,116	337,618
2014	13,874	77,745		211,458	93,274	396,351
2015	11,435	58,479		243,278	115,096	428,288

Source: School District Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$ 38,824,700	\$ 2,358,838,300	\$ 9,263,400	\$ 205,200	\$ 227,225,500	\$ 113,492,200	\$ 102,620,400	\$ 2,850,469,700	\$ 4,814,438	\$ 2,855,284,138	\$ 193,995,300	1.82	\$ 3,903,172,481
2006	39,774,500	2,380,007,700	9,263,400	205,200	228,373,900	113,050,800	107,453,700	2,878,129,200	4,814,438	2,882,943,638	194,252,300	1.92	4,363,111,829
2007	35,793,800	2,400,450,300	5,550,800	185,300	238,233,900	114,961,900	105,816,400	2,900,992,400	3,761,823	2,904,754,223	194,458,300	1.98	4,861,407,324
2008	34,523,800	2,409,164,000	5,292,200	196,500	239,003,200	116,292,300	101,600,500	2,906,072,500	4,230,749	2,910,303,249	197,103,100	2.05	4,998,429,107
2009	33,401,100	2,423,455,200	5,298,600	196,500	237,509,600	115,139,900	79,140,500	2,894,141,400	4,285,157	2,898,426,557	197,132,900	2.12	4,948,783,802
2010	32,851,000	2,430,132,000	5,046,600	176,900	239,564,700	116,094,500	95,858,800	2,919,724,500	5,966,882	2,925,691,382	199,358,800	2.22	4,791,410,430
2011	35,249,000	2,423,641,500	5,046,600	176,900	238,822,100	116,094,500	95,894,000	2,914,924,600	6,225,463	2,921,150,063	200,090,100	2.32	4,585,087,652
2012	36,267,600	2,417,902,900	5,072,500	176,900	238,095,600	115,600,100	94,295,000	2,907,410,600	5,143,748	2,912,554,348	201,392,000	2.37	4,433,621,393
2013	35,168,100	2,415,061,300	5,072,500	177,400	235,543,200	113,465,500	93,539,900	2,898,027,900	4,985,453	2,903,013,353	202,514,300	2.42	4,269,940,784
2014	31,354,900	2,418,508,300	5,072,500	168,100	233,408,600	113,226,000	93,539,900	2,895,278,300	4,132,679	2,899,410,979	203,726,300	2.47	4,221,259,506

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

RANDOLPH TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(RATE PER \$100 OF ASSESSED VALUE)
UNAUDITED

Year Ended December 31,	Township of Randolph School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Randolph	Morris County	
2005	\$ 1.72	\$ 0.10	\$ 1.82	\$ 0.50	\$ 0.37	\$ 2.69
2006	1.79	0.12	1.92	0.53	0.38	2.83
2007	1.85	0.13	1.98	0.56	0.40	2.94
2008	1.92	0.13	2.05	0.59	0.40	3.04
2009	2.00	0.12	2.12	0.93	0.38	3.43
2010	2.09	0.13	2.22	0.63	0.37	3.22
2011	2.19	0.13	2.32	0.66	0.37	3.35
2012	2.24	0.13	2.37	0.68	0.37	3.42
2013	2.29	0.13	2.42	0.70	0.37	3.49
2014	2.34	0.13	2.47	0.72	0.37	3.56

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

^b Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy . The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Exhibit J-8

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Center Grove Associate	\$ 46,880,000	1.62 %
Pal-Pike	23,911,200	0.82 %
Beta Realty	12,598,800	0.43 %
Randolph Grocery	12,289,900	0.42 %
Randolph Village	10,540,000	0.36 %
Progressive Properties	10,120,000	0.35 %
Canfield Mews	9,942,000	0.34 %
Carco Development	8,861,500	0.31 %
Randolph CSC	7,600,000	0.26 %
Canfield Business Park	7,540,000	0.26 %
Total	<u>\$ 150,283,400</u>	<u>5.18 %</u>

Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
Center Grove Associate	\$ 50,161,700	1.74 %
Pal-Pike	28,143,000	0.98 %
Canfield Mews	13,440,000	0.47 %
Randolph Village	13,000,000	0.45 %
Beta Realty	12,598,800	0.44 %
Carco Development	11,250,400	0.39 %
Randolph Hamiltonian Apartments	10,619,300	0.37 %
Progressive Property	10,120,000	0.35 %
Canfield Business Park	9,200,000	0.32 %
MAL Brothers	7,616,300	0.26 %
Total	<u>\$ 166,149,500</u>	<u>5.76 %</u>

Exhibit J-9

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 54,070,935	\$ 54,070,935	100.00 %	-0-
2007	56,406,746	56,406,746	100.00 %	-0-
2008	58,629,607	58,629,607	100.00 %	-0-
2009	60,836,023	60,836,023	100.00 %	-0-
2010	63,021,404	63,021,404	100.00 %	-0-
2011	67,044,175	67,044,175	100.00 %	-0-
2012	68,311,104	68,311,104	100.00 %	-0-
2013	69,594,928	69,594,928	100.00 %	-0-
2014	70,883,636	70,883,636	100.00 %	-0-
2015	72,233,112	72,233,112	100.00 %	-0-

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Exhibit J-10

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2006	\$ 41,712,000		\$ 41,712,000	2.44 %	\$ 1,656
2007	39,477,000	\$ 662,063	40,139,063	2.25 %	1,600
2008	37,147,000	743,178	37,890,178	2.04 %	1,511
2009	34,692,000	1,145,135	35,837,135	2.11 %	1,429
2010	32,077,000	1,316,317	33,393,317	1.86 %	1,297
2011	29,322,000		29,322,000	1.58 %	1,133
2012	38,109,000		38,109,000	1.99 %	1,471
2013	34,755,000		34,755,000	1.78 %	1,338
2014	31,930,000	358,694	32,288,694	1.66 %	1,244
2015	29,015,000	401,006	29,416,006	1.51 %	1,133

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 41,712,000	\$ -0-	\$ 41,712,000	1.46 %	\$ 1,656
2007	39,477,000	-0-	39,477,000	1.37 %	1,573
2008	37,147,000	-0-	37,147,000	1.28 %	1,482
2009	34,692,000	-0-	34,692,000	1.19 %	1,383
2010	32,077,000	-0-	32,077,000	1.11 %	1,245
2011	29,322,000	-0-	29,322,000	1.00 %	1,133
2012	38,109,000	-0-	38,109,000	1.30 %	1,471
2013	34,755,000	-0-	34,755,000	1.19 %	1,338
2014	31,930,000	-0-	31,930,000	1.10 %	1,230
2014	29,015,000	-0-	29,015,000	1.00 %	1,118

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Exhibit J-12

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Randolph	\$ 16,546,752	100.00 %	\$ 16,546,752
County of Morris General Obligation Debt	235,116,781	4.72 %	<u>11,105,528</u>
Subtotal, Overlapping Debt			27,652,280
Township of Randolph School District Direct Debt (b)			<u>29,015,900</u>
Total Direct and Overlapping Debt			<u><u>\$ 56,668,180</u></u>

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

^b The District has \$900 of bonds authorized but not issued.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Randolph Township. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

Sources: Assessed value data used to estimate applicable percentages provided by the County of Morris Board of Taxation; debt outstanding data provided by each governmental unit.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis
2014	\$ 4,318,103,119
2013	4,215,313,309
2012	4,269,952,416
	\$ 12,803,368,844
Average Equalized Valuation of Taxable Property	\$ 4,267,789,615
Debt Limit (4% of Average Equalization Value)	\$ 170,711,585 ^a
Net Bonded School Debt Issued and Unissued	29,015,900
Legal Debt Margin	\$ 141,695,685

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 185,577,384	\$ 183,634,440	\$ 177,026,307	\$ 172,212,209	\$ 170,711,585
Total Net Debt Applicable to Limit	29,322,637	38,110,537	34,756,537	31,931,537	29,015,900
Legal Debt Margin	\$ 156,254,747	\$ 145,523,903	\$ 142,269,770	\$ 140,280,672	\$ 141,695,685
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.80 %	20.75 %	19.63 %	18.54 %	17.00 %

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 155,201,620	\$ 172,781,042	\$ 187,862,227	\$ 196,038,410	\$ 192,677,793
Total Net Debt Applicable to Limit	41,712,000	39,477,637	37,147,637	34,692,637	32,077,637
Legal Debt Margin	\$ 113,489,620	\$ 133,303,405	\$ 150,714,590	\$ 161,345,773	\$ 160,600,156
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.88 %	22.85 %	19.77 %	17.70 %	16.65 %

^a Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

RANDOLPH TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Morris County Per Capita Personal Income ^b	Personal Income ^c	Unemployment Rate ^d
2006	25,193	\$ 67,918	1,711,058,174	3.00 %
2007	25,089	71,191	1,786,110,999	2.70 %
2008	25,070	74,025	1,855,806,750	3.60 %
2009	25,087	67,614	1,696,232,418	6.60%
2010	25,756	69,811	1,798,052,116	6.90%
2011	25,877	71,730	1,856,157,210	6.50%
2012	25,913	74,057	1,919,039,041	6.80%
2013	25,982	75,054	1,950,053,028	6.10%
2014	25,964	75,054 *	1,948,702,056 ***	4.60%
2015	25,964 **	75,054 *	1,948,702,056 ***	N/A

N/A - Not Available

* - Latest Morris County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) was used for calculation purposes.

*** - Latest personal income available (2014) was used for calculation purposes.

Source: ^a Population information provided by the NJ Dept of Labor and Workforce Development
^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
^c Personal income has been estimated based upon the municipal population and per capita personal income presented
^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - MORRIS COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2014		Employer	2005	
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
U.S. Army Armament Research and Development	5,841	2.27%			
Novartis Corporation	5,035	1.96%			
Atlantic Health System	4,463	1.74%			
Automatic Data Processing, Inc.	2,060	0.80%			Information is Not Available
Bayer Healthcare, LLC	1,900	0.74%			
County of Morris	1,674	0.65%			
Wyndham Worldwide Coporation	1,653	0.64%			
St. Clare's	1,642	0.64%			
BASF Corporation	1,500	0.58%			
Accenture	1,480	0.57%			
Total	27,248	10.60%			
Total Employment *	257,024				

* - Employment data provided by the NJ Department of Labor and Workforce Development.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	388	375	393	387	370	341	348	357	360	325
Special education	76	86	88	89	89	98	106	112	117	147
Support Services:										
Student & instruction related services	123	122	115	113	114	104	108	101	101	99
School administrative services	37	34	35	32	30	30	30	32	32	27
General and business administrative services	26	24	24	20	19	21	23	26	26	41
Plant operations and maintenance	57	57	56	56	53	64	58	53	53	52
Pupil transportation	45	45	45	46	47	45	45	46	47	46
Total	<u>752</u>	<u>743</u>	<u>756</u>	<u>743</u>	<u>722</u>	<u>703</u>	<u>718</u>	<u>727</u>	<u>736</u>	<u>737</u>

Source: District Personnel Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	5,538	\$ 69,216,812	\$ 12,499	5.83%	516	13.0	11.3	12.1	5,538	5,261	-0.34%	95.00%
2007	5,549	72,770,033	13,114	4.93%	514	11.9	11.1	11.5	5,549	5,297	0.20%	95.46%
2008	5,571	74,933,935	13,451	2.57%	513	10.5	10.9	11.4	5,571	5,299	0.40%	95.12%
2009	5,514	76,341,632	13,845	2.93%	539	9.9	10.1	10.9	5,514	5,238	-1.02%	94.99%
2010	5,417	80,814,639	14,919	7.75%	539	9.6	9.8	10.9	5,417	5,162	-1.76%	95.29%
2011	5,294	77,612,676	14,660	-1.73%	504	10.4	10.1	11.1	5,294	5,050	-2.27%	95.39%
2012	5,210	84,141,422	16,150	10.16%	504	10.3	10.2	11.1	5,210	4,979	-1.59%	95.57%
2013	5,038	86,324,422	17,135	6.10%	501	10.5	9.8	9.7	5,038	4,811	-3.30%	95.49%
2014	4,919	86,487,024	17,582	2.61%	477	10.3	9.8	9.7	4,919	4,691	-2.36%	95.36%
2015	4,819	87,837,289	18,227	3.67%	472	13.1	11.8	12.4	4,819	4,607	-2.03%	95.60%

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^b The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost per Pupil may be different from other Cost per Pupil calculations.
- ^c Teaching staff includes only full-time equivalents of certificated staff.
- ^d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollment based on annual October district count.

Source: School District records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Buildings</u>										
Center Grove School										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (students)	608	608	608	608	608	608	608	608	608	608
Enrollment	628	595	546	560	515	494	502	501	550	479
Fernbrook School										
Square Feet	75,569	75,569	75,569	75,569	75,569	75,569	75,569	75,569	75,569	75,569
Capacity (students)	567	567	567	567	567	567	567	567	567	567
Enrollment	625	631	631	627	611	641	581	576	570	555
Ironia School										
Square Feet	63,764	63,764	63,764	63,764	63,764	63,764	63,764	63,764	63,764	63,764
Capacity (students)	643	643	643	643	643	643	643	643	643	643
Enrollment	624	626	632	637	629	602	529	496	482	448
Shongum School										
Square Feet	69,283	69,283	69,283	69,283	69,283	69,283	69,283	69,283	69,283	69,283
Capacity (students)	567	567	567	567	567	567	567	567	567	567
Enrollment	651	647	668	634	652	676	655	624	541	510
Middle School										
Square Feet	170,243	170,243	170,243	170,243	170,243	170,243	170,243	170,243	170,243	170,243
Capacity (students)	893	893	893	893	893	893	893	893	893	893
Enrollment	1,353	1,341	1,317	1,297	1,275	1,227	1,263	1,222	1,271	1,230
High School										
Square Feet	220,337	220,337	276,337	276,337	276,337	276,337	276,337	276,337	276,337	276,337
Capacity (students)	950	950	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877
Enrollment	1,659	1,709	1,777	1,765	1,721	1,677	1,635	1,639	1,573	1,620

Number of Schools at June 30, 2015

 Elementary = 4

 Middle School = 1

 High School = 1

Source: School District Facilities Office

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
Account # 11-000-261-xxx

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Center Grove</u> <u>School</u>	<u>Fernbrook</u> <u>School</u>	<u>Ironia</u> <u>School</u>	<u>Shongum</u> <u>School</u>	<u>Middle</u> <u>School</u>	<u>High</u> <u>School</u>	<u>Total</u>
2006	\$ 98,953	\$ 124,629	\$ 105,160	\$ 114,262	\$ 280,767	\$ 363,383	\$ 1,087,154
2007	107,634	111,358	103,955	101,864	187,990	294,517	907,318
2008	97,411	96,265	90,751	94,083	191,113	297,708	867,331
2009	79,776	97,020	81,373	86,770	183,882	271,162	799,983
2010	96,560	100,793	85,770	92,893	189,792	287,862	853,670
2011	120,047	103,257	92,620	98,525	217,646	328,719	960,814
2012	172,412	122,322	87,492	97,443	221,727	404,762	1,106,158
2013	128,042	232,294	114,382	133,452	252,899	638,733	1,499,802
2014	236,486	220,917	176,640	193,086	213,299	494,440	1,534,868
2015	154,266	178,357	134,519	156,214	239,693	397,367	1,260,416

Source: School District records.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - SAIF		
Property - Blanket Building and Contents	\$ 153,152,047	\$ 2,500
Comprehensive Boiler and Machinery	50,000,000	2,500
Business Interruption/Extra Expense	5,000,000	2,500
Comprehensive General Liability - Per Occurrence	5,000,000	None
School Board Legal Liability - Per Occurrence	5,000,000	10,000
Employee Benefits Liability - Per Occurrence	1,000,000	1,000
Comprehensive Crime Coverage	100,000	500
Computers and Scheduled Equipment - SAIF		
Data Processing Equipment	2,500,000	5,000
Miscellaneous School Equipment	500,000	1,000
Umbrella Liability Policy - SAIF		
Umbrella Policy	50,000,000	10,000
Excess Liability - Fireman's Fund Insurance Co.	50,000,000	10,000
Pooled Insurance Program of New Jersey:		
Workers' Compensation	First 350,000	of each claim
Public Official Bonds - Utica		
Business Administrator	400,000	None
Assistant Business Administrator	400,000	None
Comprehensive Automobile Liability - SAIF	5,000,000	
Comprehensive Deductible		1,000
Collision Deductible		1,000

Source: School District records.

SINGLE AUDIT SECTION



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Report on Internal Control over Financial Reporting
 and on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Randolph Township School District
 County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable President and Members
of the Board of Education
Randolph Township School District
Page 2

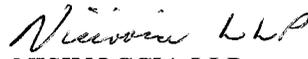
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 20, 2015
Mount Arlington, New Jersey


NISIVOCCIA LLP



Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Randolph Township School District
 County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Randolph Township's School District (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

The Honorable President and Members
of the Board of Education
Randolph Township School District
Page 2

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circulars A-133 and NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

November 20, 2015
Mount Arlington, New Jersey


NISIVOCCIA LLP


Francis J. Jones, Jr.
Licensed Public School Accountant #1154
Certified Public Accountant

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expendi- tures	Balance at June 30, 2015		
					Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover Amount			Budgetary Unearned Revenue	Budgetary Accounts Receivable	Due to Grantor
<u>U.S. Department of Agriculture:</u>												
Passed-through State Department of Education:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/14-6/30/15	\$ 34,432			\$ 34,432	\$ (33,000)	\$ 1,432			
Federal Food Distribution Program	10.555	N/A	7/1/13-6/30/14	46,215	\$ 1,885			(1,885)				
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	189,292			175,049	(189,292)		\$ (14,243)		
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	184,636	(14,336)		14,336					
Total Child Nutrition Cluster					(12,451)		223,817	(224,177)	1,432	(14,243)		
Total U.S. Department of Agriculture					(12,451)		223,817	(224,177)	1,432	(14,243)		
<u>U.S. Department of Education:</u>												
Passed-through State Department of Education:												
General Fund:												
Education Jobs Fund	84.410A	N/A	8/1/10-9/30/13	1,208	(1,208)		1,208					
Total General Fund					(1,208)		1,208					
<u>U.S. Department of Education:</u>												
Passed-through State Department of Education:												
Special Revenue Fund:												
NCLB Consolidated:												
Title I	84.010	NCLB-0820-15	7/1/14-6/30/15	110,268			51,764	(109,177)		(57,413)		
Title I, Carryover	84.010	NCLB-0820-14	7/1/13-6/30/14	92,602	(46,254)		46,254					
Total Title I					(46,254)		98,018	(109,177)		(57,413)		
Title IIA	84.367	NCLB-0820-15	7/1/14-6/30/15	92,820			39,478	(92,820)		(53,342)		
Title IIA, Carryover	84.367	NCLB-0820-14	7/1/13-6/30/14	92,314	(64,520)		64,520					
Total Title IIA					(64,520)		103,998	(92,820)		(53,342)		
Title III	84.365	NCLB-0820-15	7/1/14-6/30/15	15,606				(15,606)		(15,606)		
Title III, Carryover	84.365	NCLB-0820-14	7/1/13-6/30/14	13,388	(3,461)		3,461					
Total Title III					(3,461)		3,461	(15,606)		(15,606)		
Title III Immigrant	84.365	NCLB-0820-14	7/1/13-6/30/14	27,451			11,697	(27,451)		(15,754)		
Total Title III Immigrant							11,697	(27,451)		(15,754)		
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular	84.027	FT-0820-15	7/1/14-6/30/15	980,905			964,206	(980,905)		(16,699)		
I.D.E.A. Part B, Basic Regular, Carryover	84.027	FT-0820-14	7/1/13-6/30/14	957,988	(128,514)		128,514					
I.D.E.A. Part B, Preschool	84.173	PS-0820-15	7/1/14-6/30/15	43,008			43,008	(43,008)				
I.D.E.A. Part B, Preschool, Carryover	84.173	PS-0820-14	7/1/13-6/30/14	43,310	(757)		757					
Total Special Education Cluster					(129,271)		1,136,485	(1,023,913)		(16,699)		
Total Special Revenue Fund					(243,506)		1,353,659	(1,268,967)		(158,814)		
Total U.S. Department of Education					(244,714)		1,354,867	(1,268,967)		(158,814)		
Total Federal Awards					\$ (257,165)	\$ -0-	\$ -0-	\$ 1,578,684	\$ (1,493,144)	\$ 1,432	\$ (173,057)	\$ -0-

N/A - Not Available/Applicable

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014				Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015			Memo	
				Uncearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover Amount	Cash Received			Uncearned Revenue	GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 7,895,104				\$ 7,111,455	\$ (7,895,104)					\$ (783,649)	\$ 7,895,104
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	7,895,104	\$ (778,091)			778,091							7,895,104
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	323,179				291,101	(323,179)					(32,078)	323,179
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	323,179	(31,850)			31,850							323,179
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	3,234,926				2,913,835	(3,234,926)					(321,091)	3,234,926
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	3,234,926	(318,813)			318,813							3,234,926
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	103,893				93,580	(103,893)					(10,313)	103,893
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	103,893	(10,239)			10,239							103,893
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1,118,636				1,007,603	(1,118,636)					(111,033)	1,118,636
Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	1,118,636	(110,246)			110,246							1,118,636
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	47,185				42,502	(47,185)					(4,683)	47,185
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	47,185				42,502	(47,185)					(4,683)	47,185
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	827,523					(827,523)		\$ (827,523)			(827,523)	827,523
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	875,308	(875,308)			875,308							875,308
Other State Aid - Non Public Transportation	15-495-034-5120-014	7/1/14-6/30/15	34,855					(34,855)			(34,855)		(34,855)	34,855
Other State Aid - Non Public Transportation	14-495-034-5120-014	7/1/13-6/30/14	35,798	(35,798)			35,798							35,798
				(2,160,345)			13,662,923	(13,632,486)			(862,378)		(2,129,908)	27,219,330
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	2,617,787				2,490,947	(2,617,787)			(126,840)		(126,840)	2,617,787
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	2,669,491	(134,788)			134,788							2,669,491
Subtotal - General Fund				(2,295,133)			16,288,658	(16,250,273)			(989,218)		(2,256,748)	32,506,608
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	10,904				10,904	(10,904)						10,904
Technology Initiative Aid	15-100-034-5120-373	7/1/14-6/30/15	5,856				5,856	(5,856)						5,856
Auxiliary Services:														
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	914				914	(913)				\$ 1		913
Transportation	14-100-034-5120-067	7/1/13-6/30/14	23,361		23,361				\$ 23,361					
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	22,395				22,395	(14,333)					8,062	14,333
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	17,976		5,136					5,136				12,840
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	645	(645)			645							645
Handicapped Services:														
Examination & Classification	15-100-034-5120-066	7/1/14-6/30/15	25,941				25,941	(23,237)					2,704	23,237
Examination & Classification	14-100-034-5120-066	7/1/13-6/30/14	34,553		8,919				8,919					25,634
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	27,389				27,389	(18,289)					9,100	18,289
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	26,170		7,734				7,734					18,436
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	23,541				23,541	(21,736)					1,805	21,736
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	22,203		1,110				1,110					21,093
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	17,357				17,357	(17,357)						17,357
Subtotal - Special Revenue Fund				(645)	46,260		134,942	(112,625)	46,260				21,672	191,273

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015			Memo	
				Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover Amount	Unearned Revenue				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
Capital Projects Fund:															
NJ School Development Authority:															
Fernbrook Elementary School	4330-065-14-1003	7/1/14-6/30/16	\$ 342,344				\$ 273,876	\$ (273,876)					\$ 68,468	\$ 273,876	
Shongum Elementary School	4330-080-14-1006	7/1/14-6/30/16	540,400										540,400		
Randolph Middle School	4330-075-14-1005	7/1/14-6/30/16	259,800										259,800		
Randolph High School	4330-050-09-1001	7/1/14-6/30/16	689,660										689,660		
Subtotal - Capital Projects Fund							273,876	(273,876)					1,558,328	273,876	
Debt Service Fund:															
Debt Service Aid II															
	15-100-034-5120-125	7/1/14-6/30/15	274,653				274,653	(274,653)						274,653	
Subtotal - Debt Service Fund							274,653	(274,653)						274,653	
Enterprise Fund:															
State School Lunch Program															
	14-100-010-3350-023	7/1/13-6/30/14	8,023	\$ (638)			638							8,023	
State School Lunch Program															
	15-100-010-3350-023	7/1/14-6/30/15	8,394				7,789	(8,394)			\$ (605)		(605)	8,394	
Subtotal - Enterprise Fund				(638)			8,427	(8,394)			(605)		(605)	16,417	
Total State Awards				<u>\$ (2,296,416)</u>	<u>\$ 46,260</u>	<u>\$ -0-</u>	<u>\$ 16,980,556</u>	<u>\$ (16,919,821)</u>	<u>\$ 46,260</u>	<u>\$ -0-</u>	<u>\$ (989,823)</u>	<u>\$ 21,672</u>	<u>\$ (699,025)</u>	<u>\$ 33,262,827</u>	

N/A - Not Available/Applicable

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Randolph Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to P.L.2003, C.97.(A3521). For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in the accompanying schedules on the budgetary basis with the exception of the revenue recognition of the Educational Facilities Construction and Financing Act grants which are realized as revenue upon their award whereas the GAAP basis recognizes the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(18,291) for the general fund, \$6,454 for the special revenue fund (of which \$14,076 applies to encumbrances of local grants) and \$(1,558,328) for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund, special revenue fund and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of \$1,948,383 and \$3,093,058 respectively.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 21,273,423	\$21,273,423
Special Revenue Fund	\$ 1,260,253	113,715	1,373,968
Capital Projects Fund		273,876	273,876
Debt Service Fund		274,655	274,655
Food Service Fund	224,177	8,394	232,571
Total Financial Assistance	<u>\$ 1,484,430</u>	<u>\$21,944,063</u>	<u>\$23,428,493</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. Revenues and expenditures reported under the Food Distribution Program represent current year values received and current year distributions respectively.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District received grants in the amount of \$1,832,204 in connection with capital projects for various window and roof replacement projects at the High School, Middle School, Fernbrook Elementary School and Shongum Elementary School. During the fiscal year ended June 30, 2015 the District submitted a reimbursement request for the Fernbrook Elementary School project and realized revenue on the GAAP basis in the amount of \$273,876. At June 30, 2015, the District has a \$1,558,328 receivable on the budgetary basis and \$-0- on the GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>General Fund State Aid:</u>				
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 7,895,104	\$ 7,895,104
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	3,234,926	3,234,926
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	103,893	103,893
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1,118,636	1,118,636
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	47,185	47,185
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	47,185	47,185
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	323,179	323,179
<u>Federal:</u>				
<u>Special Education Cluster:</u>				
IDEA Part B, Basic Regular	84.027	7/1/14-6/30/15	980,905	980,905
IDEA Part B Preschool	84.173	7/1/14-6/30/15	43,008	43,008

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Summary of Auditors' Results (Cont'd)

- The threshold used for distinguishing between Type A and Type B programs was \$300,000 for federal programs and \$507,595 for state programs.
- The District was determined to be a "low-risk" auditee for federal and state programs.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or NJ OMB 04-04 and 15-08.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

There were no prior year findings.